

Formalizing Strategic Relationships Based On Smart Organization Networks

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Abstract: Formalizing strategic relations (FSR) is an important part of the strategic change and learning process. This paper contains (35) strategies and practice lead to design a foundation for sustainability innovation. Smart organization Networks (SONs) is new challenges require business agility, operation, cultural, continuous learning, understanding environment, creating strategic alternatives and systems readiness. A vision SONs have two scenarios: The first, an emerging concept for the agile composition of e-business value chains, and the second is a new stream of research, combining global business (GB) and computer science field. A new business paradigm provide a new operation system enhancing (SONs) that building (SR) of (GB). Also an important objective of the paper was to identify the key success factors (KSF) of (SONs), and to maximize the intelligence of the organization as it is willing to accept change and gain. A literature review used to analyze and synthesized themes of a (SONs).

1. INTRODUCTION

Researchers had noticed that the movement from e-commerce into e-business, into the at-home integration of company procedure. "This comes together with 'formalization' of complete significance chains-in many industries - from the first provider to the last consumer. Electronic services act as commdglities, resulting in selective outsourcing, consequently, to some further deconstruction of value chains. Outsourcing relies upon the ad-hoc integration of solutions, blurring the boundaries of ventures, the focus isn't just on process reengineering, but increasingly on community technology, using a quick connect and disconnect a company degree. The phenomena may eventually lead to Smart Organization Networks" (SONs). Smart organizations networks as a contemporary concept searching for change in the way and run Business organizations into learning, training and development, the main purpose is to maximize the intelligence of the organization, as it is willing to accept change and gain. (Schwaninger, 2009)

CHARACTERISTICS OF SON:

There are many features of SON. (Ates, 2011)

1. The sensitivity of environment and ability of the organization to change and adapt.
2. The cohesion of organization, with a strong sense of self-identity and able to build a community of individuals.
3. Decentralization and tolerance in the organization that allow acceptable experimentation through its capacity with various internal and external entities.
4. The ability of the organization to control its growth and development,
5. Contribute to the formulation of the nature of the relationships of individuals within and outside the organization.
6. Capabilities the organization employs all its skills and knowledge available to deliver products and services to its customers.
7. Links where the organization to its industry group through internal relations with employees.
8. Outsourcing with suppliers, customers and partners.

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RESEARCH TARGET AND LENSES:

Research target have to focus on break through innovation ideas about how we can formalize strategic relations based on smart organization networks. While research lenses should explain the core issues belong target as shown below:

Lenese1: Definition of Organization Network ON.

Lenese2: ON proposition.

Lenese3: Smart Organization Networks (SBNs) concept.

Lenese4: SONs Capabilities.

Lenese5: Key Success Factors for SONs.

Lenese6: Risk and Challenge in SONs Environment.

Lenese7: Strategic Relations (SRs).

Lenese8: Strategies and practice formalize SRs based on SONs.

LENSE1: DEFINITION of ORGANIZATION NETWORK ON.

A digital data exchange to enhance business processes between businesses;

It's an inter-enterprise system that's based about defines community's aims and objectives.

"A business network is a complex network of companies, working together to accomplish certain goals". (http://en.wikipedia.org/wiki/business_network). "Organization Net Work is a group of legally independent organizations use various methods of coordinating and controlling their interaction, in order to appear like a larger entity, they are three types of network organizations (1) internal where are a large organization has separate units acting as profit centers, (2) Stable where a central organization outsources some work to others, (3) Dynamic where a network integrator outsources heavily to other organizations". (Roland, 2009) General concept of organization networks: The industrial network nodes are a general perspective of networks and consists of a number of actors who are involved in the process of converting resources to an output.

LENSE2: ON PROPOSITION.

"Managing in Complex Organization Networks. A set of propositions describing the abilities firms will need to successfully manage Smart Organization Networks.

Proposition 1:

- A. The management of interactions with other firms and organizations both directly and indirectly is a key part of a firm's managerial activities.
- B. The ability to effectively manage such interactions is

critical for achieving economic goals and as such is a core competency of a firm and its personnel.

- C. The management of interactions in relationships is matched to relationship conditions, including the different types of relative dependencies that exist between relationship partners.

Proposition 2:

Management in business relationships and networks arises at the individual, group, or business unit and firm level and these levels are interrelated.

Proposition 3:

Management in business relationships and networks involves relationships-specific and cross-relational tasks.

Proposition 4:

Relationship-specific tasks are exchange and coordinating aimed at initiating, using, developing, reutilizing, and dissolving the relationship.

Proposition 5:

Cross-relational tasks are planning, organizing, staffing, and controlling aimed at dividing the overall value creation system into work packages and coordinating and integrating those.

Proposition 6:

A firm is networking ability can only be understood in an ongoing, firm-wide process. The management concepts around 'Smart Organization Networks' have appeal to general management as a structuring notion, and to information management as a means to highlight how communications and information can structure organizations and not just processes". "The initial concepts in SONs were presented in (Vervest et al, 2004 and 2005) with as core notions:

- Agility.
- No definite lasting commitments (uni-or multilateral).
- Process specific
- The use of communication and signaling networks as command synchronization lines.

A SONs defined as implicit contracts between people that can be built and sustained without knowing the motives of another, and without sharing goals.

The concept Smart organization Networks (SONs) refers to :(<http://www.sbniweb.org>)

Firstly: an emerging concept for the agile composition of e-business value chains, and,

Secondly: a new stream of research, combining management and computer, science.

(Filos, 2005) said: Knowledge networking coordination & inspiring authority of, concurrent process, horizontal communication, values, trusts, integrity".

LENSE3: SMART ORGANIZATION NETWORKS (SONS) CONCEPT.

The term Smart Organization Networks (SONs) refer to two things: "firstly an emerging concept for the agile composition of e-business value chains, and secondly a new stream of research, combining management and computer science". Researchers explained the move from e-commerce to e-business, to internet-based integration of business process. "This come along with 'information' of entire value chains-in several industries-from the initial supplier to the final customer.

Electronic services become commodities, leading to selective outsourcing and, in consequence, to a further deconstruction of value chains. As a consequence the focus is not on process reengineering, but increasingly on network engineering, with a quick connect and disconnect on business level". These phenomena may eventually lead to Smart Organization Networks (SONs). "The intelligence of a network is augmented by its functionality, its ability to distribute, store, assemble, or modify information. Transmission networks are technically complex, but business wise they are 'dumb' pipes that transport information without enhancing it. A network augmented by business relationships can be 'smart', it can improve the utility of information in multiple ways. That is synonymous with creating economic value. The pair of words 'smart organization' can apply to any business without a network. A 'smart network' can apply to a network that is not used for business or organization. A 'business network' is generic and includes both smart and not-so- Smart Business Networks".

"A 'Smart Organization Networks' (SONs) is defined, inspired from, but defined here more operationally, as:

- A group of participating business-organizational entities or 'actors'- that form the nodes, and this group is not necessarily visible to the outside;
- Linked together via one or more communication networks forming the links, or lines, between the nodes;
- Linked together as well by a set, possibly anthology based, of bilateral or SBNs network wide, agreements or service level agreements (SIA's) of a temporary nature.
- Interacting in novel ways they could not implement to their own, or possibly with other parties, this is the SBN network benefit;
- Perceived by each participant as increasing his own value, meaning that while overall goals/ utility functions may be different some can be shared within the network with estimated derived positive benefits; the basic equilibrium concept is one of non-cooperative Nash game, and not of a collaborative Parole Game;
- Sustainable over some time as a network, subject to agreed upon termination rules;
- Resilient if one or more business, nodes in the network, drop out, disappears, or malfunctions".RFI: http://www.omg.org/techprocess/meetings/schedule/dynamic_business_activitymodels_RFI.html".

LENSE4: SONS CAPABILITIES

The following capabilities are seen in Smart Organization Networks:

- "Establishment of common understandings of meanings, words, ontology's, ethics and informal commitments, and of the principles followed in contractual obligations";
- "Membership selection: the capabilities to decide which business entities can act as nodes of the network, it includes a search-and-select behavior by the actors. Once the appropriate actor, or node, is found, and the connection has been established, the process of performing business transaction can begin".

- “Membership ending rules and procedures over time, the capability to quickly disconnect, is a process greatly influenced by risk and reward division”.

This will be a vital element of a smart organization network; because unless it is a freed a head of time how risk and reward will be, allocated, serious problems of mistrust can develop;

- “Linking: the positioning and connecting of nodes to the other parts of the network, the linking processes can include the directories (search and select) the routing (path finding) through the network as well as communications infrastructure elements such as authentication, trust establishment, firewalls, and network management.
- Goal selection and dynamic conflict resolution: the coordination mechanisms that determine the limited shared goals in the business network and the task and responsibilities assigned to each member node;
- Interaction and sharing: the sharing expertise, management and capabilities that make the network generate novel results, preferable those that no single member could achieve on its own.
- Risk and reward management: the division of material results (profit and loss in a monetary but also know-how, intellectual property rights, customer data, etc.) and the perceived value by each of the participating business entities of its shares;
- Resilience, fault tolerance/ recovery and risk management: risk measuring and distribution rules, and conflict resolution processes; clearly connections in a smart business network are much more complicated to achieve and require higher levels of mutual trust”.

LENSE5: KEY SUCCESS FACTORS FOR SONs.

An important objective of the research have to identify the key success factors of SONs from the international perspective. These have been analyzed and synthesized by the study to arrive at a comprehensive list of key factors, which effect on the success of SONs. (www.nitertradeireland.com/businessnetworks “The following are the key success factors for SONs as identified as show below:

1. Strong business leadership and the involvement/ commitment of the SBES.
2. Establishing and maintaining trust by SONs.
3. SBNs facilitation.
4. Supportive network environment for SONs.
5. Financing and support for SONs.
6. Communication, information flow and knowledge in SONs.
7. Strategic in tent and SONs requirement.
8. Operations focus and growth of SONs.
9. Use of Nano-technology in SONs”.

LENSE6: RISK AND CHALLENGE IN SONs ENVIRONMENT.

“Smartness may emerge spontaneously and not be intentionally designed, and conversely if designed smartness may not deliver its promises and enhance some business risks. While much theoretical and experimental research is still

needed to identify the causal relations leading to smart business network risk formation, some of the underlying forces are the following”:

- “Bounded group rationality that limits the actor’s group mind share in a same way as for individuals. Measurements suggest that not only individual human beings are limited by an inability to digest intense input of data: a group of people or a network of nodes, show comparable limitations”;
- “Dynamic emergence and decay of key information brokers, information creators, and information users. Measurement on networks show that most nodes can be categorized as one of these three types”;
- “Lack of agreed upon and transparent confidence and trust maintenance procedures”;
- “Changing believers due to the networking itself; cases have already shown, that when a company organized itself as a smart business network, it ultimately disappeared as the entities felt their accountability, initiative, discipline focus and expertise did not require the same attention as this was taken care of by others in the network”;
- “What should be the granularity of the operations it each smart business network member when network; too high granularity leads to overlaps, in efficiencies and conflicts, while too low granularity reduces innovation and flexibility; the notion discussed here is not the one of modularity in a linearized supply chain, but the scope of the activities at each business partner in a smart network, which can be formalized by task graph decomposition within a network”.
- “The developments of information technology, telecommunication, and consumer electronics are extremely fast. The ability of different network platforms to carry similar kinds of services and the coming together of consumer devices such as the telephone and personal computer is called technology convergence. The ICT (information and communication technology), the infocom technology, covers the fields of telecommunication, informatics, broadcasting, and e-media”. A very fast-developing field of telecommunication, wireless communication gets a growing role in many fields as well. The connection of mobile devices to the Internet established basically new possibilities and services for the users. (Mezgár,2006)

LENSE7: STRATEGIC RELATIONS (SRs).

Formalizing strategic relationships is an important issue of design and improvement business networks. From a corporate view, we all know that talent is our number one asset. Build SRs as a foundation for business growth and success. This will undoubtedly transfer to overall success for organizations BSRs is an art and power that has helped managers tremendously in business reengineering process and redesign operations to improvement quality and achievement value engineering. Being a strategic leadership has willing to BSRs goes way beyond simply ‘making contacts’ or ‘networking’ to create add business value and win as an entrepreneur in a corporate benchmark.

LENSE8: STRATEGIES AND PRACTICE BUILD SRs THROUGH SBNS.

"There are (35) strategies, visit to learn more about development and leadership offerings. (www.impactinstruction.com)

1. Adopt the mindset that relationship building is part of your job and development.
2. Know your big picture.
3. Blend the strategic and the tactical.
4. Don't ever treat people like 'strategies' or 'tactics'.
5. Know your communication style.
6. Look at your network like a set of circles.
7. Build relationships before you need them.
8. Create consistent value.
9. A trealthy business relationship is like a bank account.
10. Aim to give first, in a way that's meaningful to the other person.
11. Phone calls can build relationships.
12. Always have a few open-ended question on hand.
13. Look for the 'click'.
14. Go beyond your industry or current circles for connections.
15. Collect and share information that is relevant to people in your network.
16. Invite people to an event that speak to their interests.
17. Handwritten notes never go out of style.
18. Commit to raising your profile through professional organizations.
19. Choose the right organizations.
20. Get to know the board of directors and key advisors of professional organizations.
21. Join a visible committee or chair aboard position.
22. Regularly attend local events and aim to meet at least one new person.
23. Meet the featured speaker at any event you attend.
24. Attend an annual conference for at least one of the organizations to which you belong.
25. Do an annual review of your organizations.
26. 'In real life (IRL)' is usually better than online.
27. Take your online connections offline.
28. Develop relationships with influencers and local industry leaders.
29. Start along or e-newsletter.
30. Develop an area of expertise.
31. Keep your linked in profile current and fresh.
32. Dig deep into your linked in connections.
33. Develop strategic alliance.
34. Learn the art of the ask.
35. Be approachable be open to the possibilities".

CONCLUSIONS

The following are the general conclusions of the research:

1. Incidence of SONs (Networks and Clusters) is widespread.
2. Significant multi business sectors are involved in SONs.
3. Business appears convinced of value of SONs.
4. SBNS formation is a current and future phenomenon.
5. Public agencies and private sector play an critical role in SBNS.
6. SBNS affecting global business.
7. Strategic resources are essential for SONs.
8. Intangible factors are important for SONs success.

9. Independent facilitation is crucial for sustainability, SBNS.
10. BNSs require critical mass of grow and prosper business. (www.intertradeireland.com/businessnetworks).

RECOMMENDATION

The following are the main recommendations of the research:

1. Implement an awareness raising campaign of the potential value from SONs designed to improvement SORs.
2. Establish a programme for the training and professional development of SONs facilitators designed to improve strategic relations.
3. Establish a network information and knowledge in a clod of SORs.
4. Establish a ration standardized system for auditing and enhancing SORs and strategic relationships results.
5. Establish SONs can support and develop future strategic relationships with multi-lenses.

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