

Organizational Network Management: Challenges, Concepts and Actionable Research

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Challenges, Concepts

Inter-firm networks comprise the new and dynamic organizational forms as a by-product of the new economic and business conditions. Contemporary organizations strive for new managerial tools that would allow them to interpret the new corporate reality and prepare them to confront the complexities of dynamic and networked value creation.

This panel will discuss recent efforts to explain emerging forms of organizing (such as business webs and networks, dynamic value constellations and smart organizations) with regards to the following themes:

1. **“There is a trend towards networking”**: Empirical evidence suggests an increasing importance of networking and partnering activities
2. **“Several factors drive the formation of networks”**: Major market contingencies for networking are: globalisation, technology development, changing demand patterns and the trend towards an information or knowledge economy.

3. **“Networking seems to be a promising reaction”**: Networks promise considerable economic advantages for companies challenging the above mentioned market drivers (motives for networking): Enhancing business scope, enter new markets, accessing resources, risk sharing, innovation management, specialization and division of labour, coordination and efficiency benefits (in supply chains), etc.
4. **“But networking is risky to some extent”**: Networks are complex, precarious, shaky and operating under vulnerable arrangements with a considerable risk of failure and potential higher coordination efforts arising from inter-firm (distance) coordination.
 - **“Ergo: what matters is an explicit network management”**: The mere collaboration is not enough to achieve the promised benefits. Due to networking risks and costs, a careful management of the network.
5. **“A classification of network types is necessary”**: Necessary management issues, organizational patterns or best practices applicable highly depend on the nature of a single network. Therefore, an explicit business taxonomy in terms of classification criteria has to be built up, to be able to classify specific network actions.

Actionable Research

The panel draws extensively on research underway within the DOMINO project (IST-2000-29545), which addresses the aforementioned phenomena in the context of a series of interrelated research projects aiming to explore multiple facets of network organisation management relying on rich collection of theoretical reference disciplines, e.g. coordination, transaction cost economics, organisational learning, etc, and utilising multiple research methodologies. The scope of the overall effort is to draw actionable results in the shape of management guidelines in a manner that pays justice to the multidisciplinary nature of the network organisation phenomenon. Panellists will discuss results to date of research on the following:

- Partner Relationship Management (PRM)
- Information Infrastructure Management
- Knowledge Transfer Management
- Collaboration, Coordination Management
- Conflict Management
- Performance Measurement and Performance Improvement (Management)
- Trust Management
- Network Configuration Management