

An inter- organizational information system



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In the paper the major area of consideration is Information Technology and its impact on Supply Chain Management. In recent times the major purpose of Supply Chain Management is to set an operational strategy for gaining market leverage. Most of the organizations presently are busy in changing their existing operational strategies, methodologies and technologies. The very focus of the paper is based on inter-organizational relationships in a supply chain management context. And after successful analysis the deployment of different information systems is taken into account. Why information systems are the first priority in different organizations because there is the need of quick order filling and fast delivery of products and services by an organization. This thing plays a vital role in getting market share. So for achieving market competitiveness there is the need to re-engineer the business process and integrate the innovative technologies with the existing supply chain management system. The information technology (IT) plays a vital role in redesigning of the whole existing business process and it also helps in improving the overall productivity and internal operations. The re-engineering process in an organization not only improves the customer services, reduction in inventory levels and reduction in overall costs incurred during the supply chain process of the organization but it also helps in improving the infrastructure of the business partners also. The role of IT is significant as described in the paper because the major advantage of IT is the process of business transaction among stakeholders in the form of different activities like order processing, sale/purchase and the transfer of funds. The advent of internet would provide a platform for global trade or business but with sure sophistications. The survival of a company is not based on market strategy only rather there is the need to think about the

issues that address the uncertainties in the downstream and upstream directions. So there is the need to evaluate the needs of both suppliers and buyers and this would help in gaining the market share. According to the paper a supply chain is " a system a system whose constituent parts include material suppliers, production facilities, distribution services and customers, all linked via the feed-forward flow of material and feed-backward flow of information." In the next portion of the article there is an evaluation of the issues of value chain. The Porter's model depicts two types of activities for value chain i. e. primary activities and support activities. The primary or sequential activities are inbound logistics, operations, outbound logistics, sales and marketing services while the support or parallel activities are administration, human resource and management, product/technology development, and procurement. In value chain an analysis of the primary activities of the business is performed in order to maintain a competitive advantage. One of the most prominent issues in managing the supply chain is the unavailability of any recognized standard. A first model for supply chain called SCOR was developed by the Supply Chain Council. The model is comprised of four levels and the focus of the model is on the general supply chain standard processes and terminology in broad terms. The SCOR model is comprised of " plan, source, make and deliver process elements" of supply chain management system. The traditional corporate strategies are not suitable for a highly dynamic business and there is the need to establish different inter-organizational relationships and this would result in intense collaboration among various business partners. The advent of distribution channels also add market share when the resources are shared among all distribution channels.

There are numerous inter-organizational relationship issues which are previously explored. Regarding IOR issues three different theoretical foundations are discussed i. e. exchange theory, political economy and the transaction cost economics. In paper the balanced condition of IOR is stated by Bansen which is comprised of four dimensions of inter-organizational equilibrium known as domain consensus, ideological consensus, positive consensus and work coordination.

In the paper a framework is proposed in which trading is being considered as a core element in supply chains and it has to add value in the business when business relationships among various new suppliers and buyers are established. Two effects of e-commerce are discussed in the proposed framework are discussed one is called as electronic brokerage effect and the other one is called as electronic integration effect. The very function of electronic broker is to connect various suppliers and customers electronically with the help of a database network which adds value in supply chains in the form of services like filtering, transaction management, and online marketing. The effect of electronic integration can be observed when business partners extend their information processing capabilities. The information may be about inventory replenishment procedures or EDI (Electronic Data Interchange) which is used to communicate information systems of business partners and this system is called inter-organizational information system or IOIS. In the paper for their framework the contingencies are taken which are proposed by Oliver and these contingencies are necessity, asymmetry, reciprocity, efficiency, stability, and legitimacy. The basic function of the proposed framework is to provide better

understanding of the IOIS services to business partner like traders, distributors, electronic brokers and many others in a supply chain management system. The very model is proposed for supply chain systems of China- Hong Kong which are industry oriented countries. The very research paper is focusing the supply chain management system and provides an analysis of the SCM with respect to inter-organizational relationships and also with respect to service provider for inter-organizational information system. The very system IOIS or framework, which is proposed, provides a better way to manage the upstream and downstream functions in a business market. The integration of contingencies with IOIS is also proposed for the sake of gaining market leverage and this would help to maintain the competitiveness in the market. The application of framework in the domain of SCM is performed in the markets of Hong Kong and China after careful consideration of upstream and downstream functions. The proposed system is very fruitful for the focal organization and for all those other organizations that are doing business with the focal organization. But there can be some issues like issue cost that how much cost an organization would incur in the integration of such a system with its existing supply chains. Paper has not discussed the very issue of cost. The research paper is focusing on electronic procurement systems. The electronic procurement is also a hot issue in the industries. There is the need to integrate all the operations, which are linked with marketing and procurement, with information systems or IT and the management in an industry must try to implement innovative technologies if they want to gain market share. The paper is focusing the very issue and presented also the contingencies when there is the need to adopt an IOIS. For integration of IT

with supply chains there is the need to train the staff according to the needs and give a chance to your staff that they must observe and feel the very importance of the information systems. In most of the industry the implementation of IT with existing systems is not in mature state but it is expected that there would be a rapid increase in the acceptance of such systems in future. According to my view the very adoption of electronic systems creates firm relationships among stakeholders like suppliers (upstream) and buyers (downstream). The research which is being done in the paper would help the industry to improve their purchase processes in the purchase department and they can take better actions in future about IT/IS. With the systems like IOIS the companies can gain certain benefits like reduction in the overall operational costs, increased productivity, increased control on suppliers, better understanding and cooperation among all the business members, faster customer response, faster product and service delivery, provide better ways to plan the business, makes the existing business processes more mature and streamlined, and the integration of innovative technologies will lower down the levels of inventory.