

## Chapter 2.1.

# Online Business Alliances: Net Gain @ Speed of Thought!

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### *Abstract*

Small enterprises have powered much of the nation's economic growth during the last decade. Managerial time constraints often limit leaders' ability to personally attend professional meetings. The consequence is reduced peer networking and information sharing opportunities critical to enlightened decision-making. To empower small enterprise leaders to gain timely specialized information from peers without attending distant meetings, Oregon State University initiated an "Online Business Alliance" demonstration project. This article describes the demonstration project, its outcomes and provides information for Extension professionals considering the formation of virtual networks for business, community and/or governmental leaders.

### **Introduction**

Small enterprises have powered much of the nation's economic growth during the last decade. Given the dual-reality of small enterprise leader time constraints and their need for continually accessing specialized information (Murdock, 2000), Oregon State University initiated an information technology demonstration project to address this vexing dilemma.

Community development research indicates that information sharing and learning is sufficient reason for enterprise leaders to network face-to-face (Malecki, 2001). Our demonstration project tested this proposition in the context of a virtual networking environment, with numerous small enterprises separated by large distances.

The organizational partner in this demonstration project is a West Coast-based non-profit education association (<http://www.pcc-harbormasters.org/>) that provides in-service training development for the professional managers of small rural ports and harbors. The Pacific Coast

Congress of Harbormasters and Port Managers (hereafter “the Association”) membership stretches along the West Coast from the Arctic Circle to Mexico.

Formed almost 30 years ago, this Association sponsors bi-annual conferences along the West Coast to provide networking, information sharing and professional education for its members. In 1996, Association leaders recognized that port and harbor managers were frequently being compelled to quickly make significant business decisions using the best information available in their remote coastal settings (digital map [click here](#)).



This quickening pace of business challenged the Association to deploy a new communication mechanism for enabling real-time networking among 200 enterprise managers situated along 4,000 miles of coast. Their design criterion for solving this communication challenge was straightforward: Identify, test and implement a low-cost mechanism for association members to use in rapidly sharing problem-solving managerial information “24 hours/day and 7 days/week” throughout the year.

Lacking a viable strategy for meeting the challenge, Association leaders invited Oregon State University’s assistance in assessing and mobilizing this decentralized peer network.

## **Demonstration Project**

This industry request for OSU help led to the exploration of a pilot email discussion group (eGroup) sponsored by Oregon Sea Grant Program, in partnership with the Association. Joint discussions over several months resulted in an agreement to initiate this Online Business Alliance demonstration project using an eGroup mechanism.

While eGroups are the organizational glue of major universities, in 1996, this online communication mechanism was relatively unknown to small rural port and harbor managers. However OSU’s effective beta test of a “virtual community leader” network (DeYoung et al., 1995) provided a blueprint for reproducing this initial success on a much broader scale.

The project’s objective was to field-test the acceptance and use of the Internet in facilitating rapid information sharing and boosting cooperation between isolated non-competitive enterprises within the same industry. The Online Business Alliance was initiated with Association Board members subscribing to a prototype email discussion group. Their subsequent experience with online information sharing and problem solving was so constructive that the leaders enthusiastically invited their industry peers to also subscribe.



Called PCC Net, the Association’s participation in the Online Business Alliance mushroomed from six to over 150 members in five years. This eGroup facilitates rapid collaboration, information sharing and problem solving by remotely located small enterprises.

Peers share knowledge on dozens of issues and problems via a single email group address. Suggestions and ideas sent to the eGroup address are automatically duplicated by a Server and instantly broadcast to all online subscribers. This “closed group” process screens out non-subscribers to prevent unwanted external spamming messages. Thus the confidentiality of group communications is assured to encourage open dialog and trusting relationships between subscribers.

## Challenges Encountered

As with any new idea, the PCC Net has encountered challenges since its start-up in 1996. In all cases these have been successfully solved through creativity, patience and determination.

*Start-up Issue: few industry members had online capability and/or didn't know how to participate in eGroups.*

Response – training on eGroups was presented during bi-annual PCC conferences and a help-desk was established to assist neophytes. Also, early adopters of the PCC Net encouraged and assisted their colleagues to get online and use this new tool. A graduate student “seeded” initial dialog by submitting information of interest to industry.

*Unwanted Advertising Issue: new Online Business Alliance subscribers occasionally send commercial advertisement messages to other eGroup members.*

Response – a footer containing sponsorship and eGroup intent information automatically appears beneath every email message sent to subscribers. New subscribers also receive a welcome message which describes intent of this eGroup and appropriate behavior.

*Administering Moderated vs. Un-moderated eGroups: the PCC Net operates as an un-moderated email discussion group . Given this, is there an eGroup administrator and, if so, how does this role differ from someone serving as an eGroup moderator?*

Response – an un-moderated eGroups means that individual subscribers send their email directly to the entire body of participants without message screening or censorship by a third party. Un-moderated eGroups typically work effectively for clusters of people who are already defined by some type of organizational membership. However, the PCC Net does have an identified eGroup administrator to help coordinate subscriptions and respond to subscriber's occasional problems with the technology, etc.

*Bounced eMail: occasionally the PCC Net administrator receives email which does not meet the Server's requirements for duplication and broadcasting.*

Response – the administrator checks email rejections on a regular basis to determine if bounced email is from a non-subscriber, in which case the email can be deleted. Bounced email can also occur when a member subscriber uses an unregistered email account. The participant is then contacted with the suggestion to resend the correspondence using the registered email address.

For people wishing to participate in the eGroup from work and home, it is useful to register both accounts on the Server.

*Misplaced Address Issue: PCC Net led to many calls for assistance by subscribers who misplaced their email group address.*

Response – to remind subscribers of the Online Business Alliance’s email address a colorful mousepad was created and distributed in partnership with the Association. This strategy resolved the problem while also presenting other key information to members.

*Marketing Issue: online business alliances need to encourage non-participants to join and contribute through the eGroup.*

Response - to expand non-participant interest in the Online Business Alliance, the Association reprints key eGroup dialog in its quarterly newsletter with encouragement to receive more of this valuable information online. The Association now conducts almost all business in-between its bi-annual conferences through PCC Net to reinforce the message that members need to get online or risk being left behind.

## **Outcomes and Benefits**

PCC Net’s virtual network environment creates a powerful decentralized “learning organization” where members openly share their expertise with peers. Industry leaders laud it as a revolutionary improvement in small enterprise networking across the bounds of time, distance and organizational culture.

The effectiveness of this online business alliance has been assessed through a variety of mechanisms. Certainly the growing number of participants, their participation rates and the increasing amount of email traffic attest to the network’s usefulness. Beyond this, evaluative feedback, solicited from PCC Net members, documents its value as a managerial networking tool.

Perhaps the most telling benchmark of success is the growing number of new PCC members who are joining this association specifically to gain access to the Online Business Alliance. This network’s success has also sparked enterprises in other regions to form their own online business alliances.

For instance, several business associations in Louisiana have initiated their own eGroups using the West Coast network as a model (DeYoung, 2001). Numerous small tourism enterprises there are now harvesting a net gain of peer expertise shared at the speed of thought.

## **Implementing an Online Business Alliance**

Electronic mail discussion groups can be initiated with hardware and software support provided by: Local ISP (Internet Service Provider); an educational institution; or, through national firms providing such applications.

An ISP or educational institution may charge modest recurring fees to provide eGroup services for an online business alliance. But, this approach avoids subscribers being exposed to advertising imbedded in email messages being exchanged through the network.

For the budget minded, there are online networking mechanisms available at low or no cost. Typically, the service is provided in exchange for advertisement messages being sent to subscribers. As of November 2001, such online network service providers include:

- Yahoo! Groups at - <http://groups.yahoo.com>
- Topica at - <http://www.liszt.com>

Irrespective of which online support mechanism is selected, the best management practices for administering an online business alliance include these actions:

- 1) Identify people who desire to subscribe in the eGroup as active participants.
- 2) Formulate a database of names, telephone numbers, surface mail addresses, email addresses for participants. This will help you to manage the project through time as changes occur.
- 3) Develop a “welcome message” to subscribers which contains information on the purpose of the online business alliance, subscription management guidelines and the like. The Server will be automatically send this to new subscribers to confirm their email addresses are correct and provide ground rules (see Endnote #1).
- 4) Create a brief description of the online business alliance for a “footer message” in each email the Server automatically broadcasts to subscribers. This statement should also limit your endorsement of transmitted message contents (see Endnote #2).
- 5) When initiating an online business alliance, request that a <closed eGroup> be formed, such that only network subscribers see email messages, and:

Register the administrator of the eGroup, to empower this person to add/delete/change subscriptions;

Provide a “welcome message” which should be automatically sent to new subscribers upon entering the online network;

Provide the “footer message” which should automatically appear at bottom of every email message being distributed through the eGroup;

Provide an <automated unsubscribe> feature for each eGroup to reduce staff time required to administer exits from the virtual network.

- 6) During the initial months, consider having someone who is subscribed to the group provide fodder for discussion, etc. This should help to encourage conversations and information sharing.

- 7) When the online business alliance begins to grow, consider developing a mousepad containing the eGroup name, email address and sponsoring organization's logo. This can be implemented as a fund-raiser and enhances group identity among members.

## Conclusion and Implications

Small enterprise leaders need timely access to specialized information and cooperating peers. Community development research indicates that information sharing and learning is sufficient reason for enterprise leaders to network effectively face-to-face. This Online Business Alliance project demonstrated that a similar but more widespread result can occur when enterprise leaders conduct their peer networking in a virtual environment.

In our method demonstration, numerous enterprise leaders, separated by large distances, are comfortable in routinely using an eGroup mechanism to rapidly exchange problem-solving information with non-competitive peers. The consequence is increased peer networking opportunity, learning organization behavior and information sharing to enhance business decisions by isolated rural enterprise leaders.

With help from Cooperative Extension, many small enterprise associations and other types of affinity groups can also benefit from initiating a virtual peer network.

## Endnotes

1. Here is an example "welcome message" which can be automatically sent to new eGroup subscribers to verify their email address and provide orientation on the group's purpose.

"Welcome to the <eGroup name> mailing list! Please save this message for your future reference.

- If you need to get in contact with the eGroup Administrator, send your message to <email address>.

This electronic mailing list is sponsored by the XXX and intended to facilitate information sharing among subscribers affiliated with YYY. This is an un-moderated mailing list accessible to only subscribers. Opinions expressed are those of individual authors and do not represent official statements or views of YYY."

- Messages to the group should be addressed to: <give email address>
- To remove your name from this list, send email to: <give email address>

2. Here is an example "footer message" which can be automatically inserted by the Server in the bottom of email being distributed to eGroup subscribers:

“This message is being sent through the XXX mailing list sponsored by YYY. This is an un-moderated mailing list accessible to only subscribers. Opinions expressed are those of individual authors and do not represent official statements or views of ZZZ.”

## References

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