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The implications of logistics dynamics over the virtual organization – A model of analysis proposition

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Abstract

The current economic context and the complexity of the business environment, as well as innovations and trends in the literature led to the creation of new forms of partnership between the existing organizations. Thus, the concept of virtual organization was developed, which can be found in the business environment, but which is a delicate subject in literature because of the difficulty encountered in defining this concept. At the same time, the awareness of the need for organizations to adopt a business model and also to know the value chain and logistics evolution has a significant impact on the dynamics of virtual organizations.

In what follows, the authors will present the views of researchers encountered in the literature regarding issues such as: what constitutes a business model, what are virtual organizations, which are the implications for the adoption of a value chain, as well as developments in logistics. The interconnection between the items listed above has a significant impact on the operation of the virtual organization and on its way of having competitive advantage as a result of the awareness of the importance of these key elements. Certainly, the authors' opinions regarding this subject will also be highlighted.

Also, in the case study, the authors propose a conceptual model of analysis, developed as a result of the research of the activity carried out by an organization which needs to improve their processes.

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1. Introduction

This work is focused on studying the implications of the logistic system over the evolution of virtual organizations. While investigating this relationship, it is necessary to know the extent to which the Organization's performance is influenced by the logistics support.

In a business environment more dynamic and complex, the sustainable competitive advantage, for virtual organizations is strongly affected. Thanks to this state of things, we try to show how the innovative interventions over the virtual organizations logistic system can constitute a guarantee of the sustainability of continuing competitive advantage.

Sustainability as a competitive advantage is characteristic is increasingly more questioned. Innovative-type intervention on the logistic system creates conditions for the preservation of the competitive advantage. In this sense, the present work presents a conceptual model for analyzing the business model that allows the identification of the types of innovative

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interventions on the logistic system of virtual organizations, so that they can maintain or even to develop the sustainability of competitive advantage.

2. Literature review

In what follows, we will review the most relevant points of view expressed in the literature concerning this subject of research. The term business model is used in different contexts, with different meanings. In the literature, the business model is related to the transition from classical trade relations in e-business with optimizing processes within organizations, with m-business (Cavalcante, Kesting and Uhløi, 2011). All this takes place due to the influence of the increasingly distinctive information and communication technologies that make their presence felt, becoming more active in organizations, influencing the pace at which it develops. However, a business model should not be viewed as static. The main characteristic is to ensure the stability of the Organization and at the same time to allow the change. Business model of an organization must adapt to the specifics of the Organization and the environmental conditions in which it operates.

A business model does not take the place of the strategy. But it can bring its improvements, if it is viewed as a tool of analysis along with other diagnostic methods of internal and external environments of an organization.

In addition, a business model must be regarded from the perspective of value. How can an organization create, deliver or consume value? The main components of a business model, described by Abraham (2003) in his work are the following:

- **Key partners** - network of suppliers and partners that make the business model work;
- **Key activities** - describe the most important activities that an organization should realize;
- **Key resources** - what can the resources do and how can these resources add value?;
- **Value proposition** - what are the products and services that bring value to clients?;
- **Customer relationship** - describes the relationship that an organization lays down with various categories of customers;
- **Customer segments** - groups of persons or companies with which the organization seeks to establish links;
- **Channels** - how an organization communicates and how does it reach to customer segments to deliver the value proposition?;
- **Cost structure** - what cost involves the use of a model business?;
- **Revenue streams** - represents the money which the organization receives from each customer segment, how and in what proportion?

In terms of value, a great problem encountered in literature is represented by its very definition, because it has a different meaning for each category of stakeholder (Bowman, Ambrosini, 2010). The concept of value differs according to the expectations of the stakeholders in understanding of them, so **the shareholders** see the value of a company in terms of dividends received from investments made by them in the company, the **managers** see the company's value in terms of the profits recorded by that company, **employees** see the company's value in terms of safety in the workplace, salaries received in time, **customers** find valuable if a company provides quality products and services, warranty and after-sale assistance, **banks** considered valuable if the companies can return the loans and interest burden of loans made, **the State** considers a company valuable if it paid its taxes on time, **the local communities** concerns the company's value in terms of the minimization of the environmental impact and developing social responsibility programs in the community. The **NGOs** view the value of a company from the perspective of the laws, regulations and rules that the company shall respect in the pursuit in the chase after profits.

At the same time, the value seen in the perspective of an organization is the plus that it brings to the goods and services offered to customers through optimal use of the resources at its disposal, basically wants to obtain maximum benefits with minimum effort.

In this case, the support under which an organization may diagnose and quantify the value is represented by the value chain in the understanding of Michael Porter. "Value Chain shows the total amount of the value and is composed of the value of the activities and the margin of the organization" (Porter, 1985, p. 38).

At the same time, it should be made clear that, in view of the complexity of the current business environment, together with the appearance of new forms of organization, we cannot talk about a chain of value in the context of a partnership, but it is a system made up of chains of value of the organizations within that partnership.

This system of value depends directly on the value chains of the partner organizations, but to simplify the analysis of value chain is desired to propose a value chain for the newly created organization following the adoption of a form of partnership such as a virtual organization.

Value chain analysis of an organization can result in acquiring a competitive advantage and it is necessary, at the same time, adapt this chain to dynamically and complex environmental conditions.

Henry Chesbrough stated: "Open Innovation is the use of appropriate feeds for entry and exit of knowledge to accelerate innovation and expansion of domestic markets to external use that innovation" (Wi *et. al.*, 2011, p. 8466).

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