

# Managing conflict in B2B e-commerce

Rhetta L. Standifer

*Doctoral candidate, University of Missouri-Columbia;  
formerly with New England Digital  
(standiferr@missouri.edu)*

James A. Wall, Jr.

*MU Distinguished Professor of Management, University  
of Missouri-Columbia (WallJA@missouri.edu)*

**Because of its efficiency and profitability, B2B e-commerce is a major asset to firms. Yet it can create problems and conflicts for the people charged with running it. These must be solved if it is to meet its full potential. Interviews conducted with B2B managers across various industries in the US have yielded some ways for managers to avoid or resolve these problems, both in the technical and the social realm.**

**A**t a dark 2AM, Sunnyside Manufacturing recognized that it needed 15 tons of fiber K for its Springborough Plant. Five of the suppliers in Sunnyside's supplier network were contacted, and the lowest bidder was awarded the order. The selected supplier then sent its own invoice to Sunnyside, and funds were transferred to the supplier's account at the local bank. The entire process took seconds. Meanwhile, a restaurant manager had logged into an online marketplace for the food industry in which she was a "qualified buyer." She scanned various offers from suppliers that responded to her recent bid request for a sanitary heat exchanger and accepted the best price. The supplier was instantly notified electronically. The speed of these transactions may be impressive, but the most daunting phenomenon is that hundreds of similar transactions were being conducted around the globe at the same hour.

These are succinct examples of business-to-business—or B2B—e-commerce. An impressive \$336 billion in B2B transactions took place in 2000, and Forrester Research has speculated that this number will increase to \$6 trillion by the year 2005 (Dembeck 2000). Firms are relying on B2B e-commerce extensively because of its accuracy, efficiency, and profitability. For instance, invoices can be electronically linked to the purchase rather than having someone record the order and post a bill to the supplier.

Because computers and their linkages are generally faster than humans, B2B e-commerce is more efficient than its phone, fax, and invoice counterparts. Profitability comes from multiple sources. At times, the e-commerce arrangement allows firms to bypass some links in the value chain. And on occasion, the setup allows the buyer to shop electronically for the best prices among suppliers, or to conduct reverse auctions.

Despite its accuracy, efficiency, and profitability, however, B2B e-commerce also has problems. In our Sunnyside example, the supplier could lose the electronic order, causing the Springborough Plant to stand idle for a day. Or our restaurant manager might accept a bid from a supplier and

later discover there were hidden fees not mentioned in the information she received online. In a different arena, a customer may demand an electronic link with a supplier, but the size of its orders does not merit the expense of a hook-up. Still other large, valued customers may refuse to link electronically with a manufacturer, while some purchasers demand that the link have electronic characteristics that differ significantly from those of other clients.

Problems and conflicts such as these must be solved if B2B e-commerce is to meet its full potential. Luckily, there are some approaches firms can take for their resolution. Along with a brief overview of the forms of B2B e-commerce, we report and describe some of the problems and conflicts B2B managers may encounter and offer some prescriptions for managers who face these challenges.

## **Business-to-business e-commerce formations**

**B**2B electronic commerce entails the technological sharing of information among suppliers, retailers, distributors, and other interested parties to create electronic relationships along the supply chain. The key players usually include selling and buying companies, deliverers, and often some type of electronic intermediaries, or third-party service providers. The technological infrastructure for such relationships can include application servers that connect your server(s) and database, back-end integration that ties in information about inventory and shipping, and knowledge management software that links databases across companies.

Using such components, the key players create a wide spectrum of B2B e-commerce associations to increase efficiency, decrease supply chain costs, and respond faster to the demands of business partners and end-users. These associations can take myriad forms, yet most fall into four: (a) buyer- or supplier-oriented marketplaces, (b) intermediary marketplaces, (c) alliances, and (d) online open marketplace "portals."

### **Buyer- or supplier-oriented marketplaces**

Of all the B2B forms, the buyer- or supplier-oriented marketplaces are the most common. The dominant force behind a supplier orientation is manufacturers who create a network of buyers, both consumers and business customers. The markets can involve proprietary auctions, bid systems, and exchanges. Buyer-oriented or buy-side marketplaces are similar in nature to those run by suppliers, except that large buyers are typically the driving force behind the relationships. These major buyers often prefer to open their own marketplaces, creating a network of targeted suppliers.

A good example of a buy-side B2B was established by Hilton. Its hotels are electronically linked to thousands of suppliers, thereby allowing the corporation to capitalize on its purchasing power and to select products and evaluate information from more than 21,000 companies.

### **Intermediary marketplaces**

This second B2B form comprises electronic meeting places where buyers and sellers can conduct trades assisted by an e-com intermediary. An industry market leader might act as first mover to bring them together in cyberspace. Or third-party intermediaries might run their own sites, networking among companies within various industries. Avnet Electronics Marketing's MarketSite is an example. It maintains a marketplace for a network of suppliers and buyers by acting as an intermediary between them.

### **Alliances**

This B2B form differs somewhat in that alliances involve firms that collaboratively pool resources to achieve faster service, lower costs, and greater logistical efficiencies. An intriguing aspect of alliances is that competitors—who remain competitors in all other respects—often form cooperative partnerships to purchase inputs, transport produced goods, and so on.

An example of such an alliance is the online partnership announced in February 2000 by Ford, General Motors, and DaimlerChrysler, creating an independent, global B2B supplier exchange called Covisint. One objective of this alliance is to decrease the costs of the auto makers' purchasing activities. Because Covisint represents a unified system of supply chain transactions for all companies using the system, it can potentially cut transaction costs. For example, a brake-assembly supplier working with alliance members can use the same ordering procedures with all firms rather than having to maintain company-specific procedures.

### **Open marketplaces**

Often called "portals," this type of B2B exchange is rapidly gaining support in a variety of industries. An independent party creates a website on which suppliers and buyers can place and respond to bids for goods and services in an auction (or reverse auction) environment. *Plastics.net* is a B2B portal where buyers and suppliers of plastics meet to conduct transactions.

## **B2B problems and conflicts**

**T**hese electronic associations—buyer or supplier marketplaces, intermediary alliances, and open marketplaces—may seem like electronic Edens. Computerized interaction decreases or eliminates former mistakes. Firms use intermediaries to assist them in buying from and

متن کامل مقاله

دریافت فوری ←

**ISI**Articles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات