

# **BUSINESS PARTNERSHIP SUCCESS: AN ASSESSMENT OF PRE PARTNERSHIP ASSESSMENT THROUGH THE USE OF TECHNOLOGY**

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## **Abstract**

*The current study explores the small business credibility through the use of technology as a mean to verify future success of the partnership with other businesses. The main objectives here is to explore how the business credibility and future success can be assessed so that a successful relationship can be maintained in the future that proves to be resourceful and profitable to engaged parties. The data was analyzed using correlation analysis in order to determine the direct effect of business credibility test through technology and its impact on the business partnership success possibilities. The findings indicate that there is a positive relationship between business credibility test through technology and the business ability to sustain its relationship with tested businesses in future. Outcomes to the relationship are discussed with analysis and highlighted in terms of business success, mutual benefit drawn from agreements and ability to attract strong and reliable business for trade.*

*Keywords: Small Business Credibility, Technology, Profitable And Successful Partnership, Business Trade, Mutual Benefit Agreements*

## **INTRODUCTION**

Business relationship management is a crucial aspect linking with business success in market as a potential partner as well as profitability. The business credibility and its previous experiences in agreements ensure its ability to continue partnership with existing and new businesses. The businesses that have stable processes and systems tend to have better chances of success at getting high level contracts in the market.

The same concept is applied to the small businesses that require partnership and management of flow of resources and funds in order to grow and sustain in the market. Small business partnership that is dependent on the activities and production lines of other business large or small tend to rely on the partnership agreement that can help business reach out to new markets, customers and suppliers (Osborne, 2002).

As a small business targets more customer markets and thrives to grow and sustain its operations within the market, it do so with the help of planning and strategies that outline its approach to how it can achieve certain goals but also maintain its business and keep it safeguarded.

The business credibility can be measured through many aspects that are either or not relevant to the business nature, industry size and the reach of business. The more complicated the business operations are the more relationship are required to maintain the business operations running and also gain profit. The business profit is the main focus for the business stakeholders and maintains a relationship with other business also relies on the approval of stakeholders and investors (Kale, Jeffrey and Harbir, 2002). The business managers who are responsible for maintaining relationship with other businesses or clients are expected to maintain the balance of stakeholder expectations and the business to business mutual interests that can bring profit to all parties. Business ability to maintain more profitable relationship where effects its operations and ability to serve the targeted customer market well also effect its ability to generate more profit through means of market penetration with the help of other businesses.

The role of technology and the e-commerce partnership have recently been explored in the light of research and policy making. The structure of e-commerce though has signified its importance is still in the phase of development and as more and more businesses are joining the international e-commerce trade functions, the e-commerce tools are being developed and improved. The use of technology has also made it easier for the business to allocate its resources and use such resources to maintain higher incomes. The use of technology has where effected the business ability to function through better processes, marketing, means of effective communication and global transfer has also affected the relationship of the business with other active parties in the industries such as distributors, suppliers, and investors and stakeholders. The global marketing concept has positively affected the business success as well as its position in the market if the accurate resources are used. The marketing and other function have been reduced in terms of cost cutting out more profit for investors and stakeholders in return.

The current study aims to find the relationship between business credibility analysis and how it affects the business relationships with other business to maintain partnership that leads

to mutual benefit. The relationship is assessed in terms of the credibility issues that may affect the business relationship more effectively within the selected industry.

## **LITERATURE REVIEW**

The business partnership and its success are dependent on many factors based on the industry and nature of business. Business partnership requires balance of trust, assurance and profit that is desired by all parties. There are many characteristics of partnership success defined and studied in the literature. Such factors include the communication system between two parties during partnership as well as the conflict resolution behaviors of each party to determine success of the agreements shared between them (Mohr, Jakki, and Robert, 1994). These are not the only factor that determine the success as there are many factors that take place before the partnerships is developed. The pre partnership phase of the partnership is equally important (Tuten, Tracy and David, 2001). The factors that should be considered before partnership takes place include analysis and selection. The industry specific business partnership tends to have extensive methods of system analysis; the information technology industry has the characteristics of complex network of partnership that leads to long terms success planning and revenue generation (Lee, 2001). Amongst the well known factors of the partnership analysis before the partnership is created the aspects of technology depth advantage and the past record analysis have not been tested directly in relationship with the partnership success.

### **Technology Depth**

Technology depth here is defined as the ability of the business to use technology as a tool and derive maximum information over other potential business partners and use this information effectively to design negotiations. The negotiations and the designed methods of agreements are likely the factor that assures business agreement success (Walker and Alan, 2004). Technology as a tool can be used effectively by small and medium size businesses (Bili and Louis, 1993). The use of technology has been improved in the past decade and provided tools can be used not only as an advantage to improve processes but also to maintain market position (Seyal, Md Mahbubur and Mohd, 2000). In depth analysis of the potential businesses allows interested business to have first hand information on every aspect of the potential partners. The development in information technology has allowed the users from all around the world to connect and share information that can be tracked and put to best use for business (Legris, John and Pierre, 2003). Many firms use the information technology in order to keep track of their suppliers and distributors as well as future contracts that can impact the business profits in future directly and indirectly (Dedrick and Kenneth, 2005). The use of information

technology by small and medium size businesses either they produce goods or services can help maintain relationship both with clients and customers and suppliers and developers (Buhalis and Hilary, 1998)

### **Past Record**

The past record of the potential partners provides clear objectives of the business and its financial standing (Ang, 1991). The past records can be retrieved through information technology system by keeping track of the general business sales, its market analysis and acceptance in the market in future. The more the business is accepted in the market the better prospects it hold for future partnership. Similarly the financial security is important to every business (Gurbaxani and Seungjin, 1991). The first factor of financial security is that the business must be able to land on a cushion to cover up losses in partnership. The second factor is to maintain good position in the market. Hence it is important that small and medium size businesses conduct detailed past record analysis on the potential partners to avoid any losses in partnership or market failures that lead to destruction of business image and acceptance (Gounaris, 2005). For many business to business partnerships the objective is not only the retention of customers or sales, but to maintain long terms relationship so that the business tend to have better prospects in the future and more trusted and steady relationship (Osarenkhoe and Az-Eddine, 2007). For string agreements the trust and mutual understanding both are essential. As discussed by Lee (2008), the partnership between small and medium sized businesses participation in partnership and initiatives helps them sustain their business but the outcomes can affect the business largely. Hence in order for a successful business partnership outcome the business analysis should be conducted that includes the assessment of past record of potential partners.

The past record analysis can be conducted by the businesses managers through use of technology. The measure here is that the technology has penetrated into every aspect of business success or its failure depending upon how effectively the technological tools can be put to use (Curtis and David, 2008).

The past records analysis can be understood in terms of business ability to proceed with past agreements, its success and failures in the market in partnership and as standalone business. For a small and medium size business the losses may be lower but the impact can affect the entire chain of businesses sharing a partnership. Hence it is important that small and medium size businesses also conduct detailed analysis on potential partners past records so that they are aware of how much loss can be faced if the business is to maintain a partnership (Osborne, 2002). The financial assessment and market analysis is hence equally important for

small and medium size businesses. Such can be more effectively said when the outsourcing partners are concerned. Such partnership comes with less responsibilities and liability or threat of loss faced in the market. But such partnership also allow the business to sustain and fulfill its needs on time and through professionals (Ren, Ngai, and Vincent, 2010)

#### Market standing

Given the importance of the market research before partnership and the impact of such planning and practice on business success and long terms success in market with customers and other partners, it is important to understand what is the business position is in the market (Lambert, Margaret and John, 1999). The business position in the market can be understood and measured in terms of its sales, its generate revenue and its cost of partnership with other businesses. The analysis for success partnership will required business to assess whether the potential partner able to produce the desires outcomes in the agreement and partnership and how such outcomes effect the business ability to grow and sustain in future (Emden, Calantone, and Cornelia, 2006).

Within the aspects of market standing the potential partner success in terms of finances is not enough. The success in terms of customer social responsibility and innovation are also equally important (Seitanidi and Andrew, 2009). The innovation where helps the business develop better products and services also lends out the same advantage to its partners. The assessment of business in terms of how innovative based it is and how such innovation can affect the business partnership are of greater importance (Chesbrough and Kevin, 2007). The factor of customer social responsibility points towards how effectively potential partners is supporting the development programs of the community (Scherer and Guido, 2011). The relationship of potential partners with community that business tends to serve greatly effects the business partnership success and business profits. With partners that are well renowned and well established the partnership will gain more than expected where as the partnership with businesses that are less known and have no strong base in market will turn out to be a liability.

The businesses that are incubating in the market and seeking new partnership in order to support the new businesses or to maintain the level of competition with new entrants can also be effective partners since they provide well established base for business operations and can help sustain businesses in future (Grimaldi and Alessandro, 2005). Keeping track of such businesses and their market standing and position with customers can be of great value to the business who wishes to partner with the most effective partners in the market.

The business alliance with other businesses where strengthen the markets hare also helps market the business products and services to a larger market base supporting the business ability and its function. The business successful partnership also helps it maintain a renowned

image that attracts other successful partners in future. The research conducted in this regard by Kale, Jeffrey and Harbir (2002), also suggests that for alliance function to be success full in a competitive market the firms need to drawn as much information on potential allies to make sure the partnership objectives can be achieved and that their partnership can lead to between market competitive position.

The business and information technology alignment are necessary for every process in the organization (Van Der Zee and Berend 1999). The information technology and factors of innovation where help business sustain and flourish also provide the element of better future partnership with other businesses. The technology and business objectives alignment hence can be used to draw more accurate and suitable business partners that can remain with the business on long terms basis and help achieve mutual goals and profits (Zhu, Samar and Hisashi, 2012). The current study aims to find the pre partnership functions under the hood of technology that can be used to draw business partnership success.

## **RESEARCH METHODOLOGY**

### **Objective of the Study**

Objective of the current study is to assess how credibility testing of small business through use of technology effectively impacts the business partnerships in future.

### **Scope of the Study**

The study scope spans on the small business market that linked with other small and medium sized businesses can gain profit through partnerships.

### **Limitation of the Study**

The current study only focuses on the small and few medium size businesses where the complexity of the structure is less and the understanding or the roles and management are more. The study does not cover the complex and lengthy management and system structures of large scale businesses.

### **Research Gap**

The research gap focused here is the studies limitation to properly discuss ho with technology helps sustain and gain profits through partnership. Though technology plays an important role in day to day activities of the business, the current study focuses where technology stands when it comes to development of healthy and effective relationships with other small and medium scale businesses.

## Sampling Design

Given the focused analysis of research small scale businesses in the USA market are the general population for the analysis. The simple random sampling method is used in the paper industry were multiple packaging and paper houses at small and medium scale are working either in partnership or as standalone function. The other characteristic used in the sampling selection is the business shift toward technology given that it is important in the market for every business to survive through advancement and improvement both in functions and management.

The sample size is 38 small scale businesses that are in partnership with other small scale of medium scale businesses. The sample is selected within the paper market and the businesses are all of the same characteristics and nearly the same operational size.

## Data Collection Method

The data is collected through survey and interview conducted with the business relationship managers or business managers who are engaged in development of contracts with other businesses or those who are assigned the task to locate and verify new partnership in market for the best interest to business agreements and partnerships.

## Hypothesis

Following is the proposed hypothesis based on the review of literature and observations collected

*The business function and ability to properly use technology as a mean to judge and assess other business credibility and function positively effects the business own success and profit as well as the success of partnership in future.*

## ANALYSIS

Three analyses are combined in the table below (Table 1). The first analysis is conducted to test reliability of the data collected. The cronbach alpha test is used to make sure the data collected is reliable. The reliability tests reveal that each variable ad independent variable constructs data is reliable.

Dependent variable cronbach alpha value of .737 indicates reliable data that is tested in relationship with PPCT- Technology depth. The relationship shows positive and significant relationship (Mean = 5.10,  $p < .01$ ). The second relationship is studied between PPCT- Past record and Business Partnership success that also proves significantly positive (Mean = 5.40,  $p < .01$ ). The third relationship is tested between PPCT- market standing and Business partnership success. The findings indicate the positive and significant relationship between two

variables (Mean = 5.30,  $p < .01$ ). Hence the relationship between Potential Partner Credibility Testing through use of technology and the Business partnership success hypothesis is accepted. The business partnership success is determined through how effectively technology use can enable better assessment and analysis of potential businesses for partnership. The assessment of market standing of the potential partners, their past record of successful partnership with other businesses and in depth technology assessment given in current study has been proved significantly related to business partnership success.

Table 1: Means, Standard Deviation and Correlations

Variables	Mean	SD	BPS	TD	PR	MS
Business Partnership Success	5.39	.90	<b>(.737)</b>			
PPCT- Technology depth	5.10	1.13	.256**	<b>(.845)</b>		
PPCT- Past record	5.40	.94	.200**	.073	<b>(.815)</b>	
PPCT- Market Standing	5.30	.91	.248**	.140*	.156*	<b>(.840)</b>

n= 38; PPCT= Potential Partner Credibility Testing

\*\*Correlations is significant at the 0.01 level, \*Correlation is significant at the 0.05 level

() Cronbach Alpha, Reliability values are given in bold parenthesis

## CONCLUSION

Small and medium sized businesses seek partnership in order to advance their position in the market or their success through agreements that lead to better future prospects. In order to achieve such goals the businesses require assessment and analysis of its potential partners before signing an agreement many factors of assessment including business past records, its ability to successfully act as a part to businesses and community and its ability to sustain in the future through technology, innovation and better financial prospects lead to business partnership success and mutual partnership benefits.

## RECOMMENDATIONS FOR PRACTITIONERS/ MANAGERS

- ✓ Manager and Entrepreneurs need to look forward to strengthen their business by undergoing joint venture or any other partnership.
- ✓ Entrepreneurs / manager should undergo SWOT analysis of the firm before going to the partnership to avoid loss or integrity.
- ✓ The protocol need to be laid down before going to any partnership
- ✓ There should be proper guidelines followed by every business undergoing partnership.

## RECOMMENDATIONS FOR FURTHER STUDIES

The future recommendations to the conducted study derive from the analysis that is focused on small and medium sized industry. The impact of technology on the success of partnership and future sustainability is as important to the large scale businesses. The future research should focus on the technology use and its role in the development of partnership where complex systems, business structures and management are present. The future research must also focus on a larger scale analysis with more in depth details on how the business partnership at different levels can be affected or improved through the use of technology. This includes the business nature, size and its ability to maintain partnership with other businesses so that a details analysis is constructed on a selected market or industry as paper and packaging.

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