

: *What is an Interorganizational DSS?*

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Inter-organizational DSS serve a company's customers, stockholders, bankers and/or suppliers. The purpose is supporting shared decision making between partners and stakeholders. In his 1996 book **The Road Ahead**, Microsoft Chairman Bill Gates argued the Internet "will carry us into a new world of low-friction, low-overhead capitalism, in which market information will be plentiful and transaction costs low." To exploit the plentiful market information and generate above average profits, companies will need to create and use sophisticated inter-organizational decision support systems (IODSS). IODSS will need to be available to both internal and external stakeholders. These systems will need to aggregate, analyze, process and disseminate decision relevant information quickly and on-demand.

An inter-organizational DSS may provide stakeholders with access to a company's Extranet and/or authority or privileges to use specific DSS Intranet capabilities. For example, companies are creating web-based, inter-organizational DSS that customers can use to evaluate products, control costs or reduce inventories. These DSS may be data-driven or document-driven, communications-driven, model-driven, or knowledge-driven. The target users are managers and knowledge workers in a customer, supplier or partner organization and sometimes retail customers. Some people would say this type of DSS is part of a company's external Intranet or Extranet.

Managers in interdependent organizations need to cooperate to build shared DSS and suppliers need to consider what types of DSS can assist their customers. Also, managers must confront a variety of business, technical and legal issues and impediments if they want to build effective Inter-organizational DSS.

The first major business issue that must be confronted is who will use the system -- customers, suppliers or both? Then managers need to ask who will pay the cost? Also, managers must ask: "Do we need to reengineer or redesign our processes? Does the Internet increase the speed of decisions and transactions and create efficiencies for our business? Will the use of networks, Web-Based DSS and the Internet create new value for customers?" Too many **No** answers to the above questions and proposed inter-organizational DSS projects will certainly fail.

In terms of technical issues, managers need to ask if the initiating or host company has the staff and technology in place to build the proposed inter-organizational system (IOS). All IOS facilitate the flow of information between and among interdependent organizations. The flow is dependent on appropriate technologies. Someone needs to determine what additional hardware and software partners and participants will need to acquire. Technical issues can be overcome if potential

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problems and needs are identified early in the development process.

Finally, from a legal perspective managers need to determine what material can be made available to external users, especially customers and suppliers, to support their decision-making. And managers should ask: Do we have privacy or liability issues or copyright issues associated with the proposed DSS project?

Inter-organizational DSS reduce costs to suppliers in a collaborative supply chain by letting them electronically access on-line databases of bid opportunities, by providing online abilities to submit bids, and by providing online review of bid awards. The Web facilitates cooperative processes and can include buyers, suppliers, and partners in redesigned business processes.

With Web-based DSS supporting value chains, the supply chain management system and the customer support system can be integrated. Integration can provide sharing of manufacturing, inventory and sales data. With such a system suppliers build to order and do not stock inventory based on projections. Various IODSS can support relationships with key accounts. With a communications-driven IODSS, departmental peers in customer and supplier organizations are connected for real-time collaboration. A well-designed Web-Based IODSS should reduce cycle time and promote greater creativity in solving shared business problems.

Managers create IODSS to exchange information, improve coordination, increase communication and collaboration, speed up responses and increase risk sharing.

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Last update: 2011-03-18 09:47