Is Online Collaboration The Future Of How Companies Do Business?

Online collaboration involves virtual work environments.

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Globalization is a hot buzzword in the media right now, and for good reason. Many corporations are have operations worldwide. A large company might have offices on multiple continents. And some large companies are making unprecedented alliances with competitors. While face-to-face interactions still play an important role in conducting business, it's just not possible to limit all collaborative projects to personal meetings.

That's why many companies are looking into online collaboration. Online collaboration uses the Internet as a common meeting and work space. Instead of sitting in a physical conference room, employees access virtual work environments. That work space might be a shared database in which employees can store and access data in a collaborative way, or it might be as complex as a full-fledged virtual environment. They save their work in a shared database, and everyone works from the same files and data. Not only are there technical challenges that companies must address when investing in online collaboration, but there are also social concerns. The way people collaborate in an online environment may be very different from how that same group of people would work together if they were in the same room.

The situation is even more complicated if two different companies wish to collaborate on a project together. Both companies must work to get beyond the competitive mentality. Some corporate executives view business deals with the perspective that their own company must benefit as much as possible, while the other company shouldn't benefit much at all. That attitude doesn't bode well for collaborative projects.

When applied correctly, online collaboration can streamline complicated situations. Whether companies purchase off-the-shelf project management software or commission their own unique applications, they can use these tools to simplify teamwork and increase productivity.

What are the benefits of online collaboration? Keep reading to find out.

A Collaborative Definition

At its most basic level, collaboration is when two or more people combine efforts to accomplish a task for their mutual benefit. It's more than just communication, which is the exchange of ideas and points of view. When the Internet's predecessor, ARPANET, came online, it allowed researchers from one facility to access data stored in another facility's computer system. People working on different systems could collaborate on projects without leaving their computer labs.

The most obvious benefit of online collaboration is that it lets people who aren't in the same location work together on a project. Since several companies have offices in multiple cities and countries, it's important to find ways to keep all the people working on a project informed and engaged. Sometimes it makes sense for a company to hold a meeting online rather than in a physical location. If a company or department meeting has a lot of participants, it can be a challenge to find a room large enough for everyone. With very large groups, it's also difficult to control participation. Online meeting spaces can be an attractive alternative to cramming a room with disengaged employees.

Another benefit of online collaboration is that it can make team projects easier to manage. For example, imagine you're in charge of a product department at an electronics company. You need to submit a report about a proposed product to your boss. You've decided to include information from multiple departments in your report, including marketing, sales, and research and development (R&D). A good online collaboration system could make it much easier to generate a report than a traditional approach.

Each department could submit information to a centralized data storage system. The marketing department could share research on what customers say they want and recent market trends in the industry. Sales could submit information about customer purchases to help you decide how to price the new product. And research and development could report on potential features and functions. You could even assemble the report in this shared space and let other departments review it to ensure accuracy.

For companies willing to partner with competitors, online collaboration can sometimes reduce the costs of doing business. Some people call collaboration between competitors "co-opetition," a combination of the words cooperation and competition. Co-opetition might make sense for companies operating in the same industry but in different markets. For example, a chemical company operating in North America might partner with a competing chemical company in Europe if their customer bases didn't overlap. By collaborating, both companies can share information and mitigate the risks and costs of research and development. Online collaborations between rivals in the same market space are rare -- most companies won't share information that gives them a competitive advantage.

While the benefits of online collaboration are attractive, there are still some obstacles companies must overcome if they want to promote teamwork over network connections. What are some of the technical obstacles that make online collaboration a challenge? Find out in the next section.

Meet You in Second Life

Some companies are using the online virtual world Second Life as a virtual location for meetings and press events. For example, IBM created a meeting space in Second Life and hosted it on its own servers [source: Second Life]. Some people debate the usefulness of relying on environments like Second Life, particularly for meetings that include sensitive information. For most companies, data is a valuable commodity. In fact, the correct term for it

is intellectual property. The data might include sensitive financial information, proprietary formulas and algorithms or secret research. It's the sort of information that can give a company an edge in the marketplace. It's definitely not the kind of information executives want to share with everyone.

Many people feel the online world is too vulnerable to spies. They cite famous cases in which hackers infiltrated some of the most secure data systems in the world. If hackers can find a way to access information held in the Pentagon's databases, what's to stop them from snooping around corporate files? In addition, if the security developers continually update protective measures, it can be difficult for a hacker to exploit the system. The key is to avoid boasting that a security system is perfect. Plenty of hackers view those claims as personal challenges.

Another technical barrier is software-related. Some companies rely on customized software to conduct business. Their software might collect or analyze data in a specific way that isn't supported by commercial products. That could limit the company's choices when it comes to online collaboration. A third-party hosting service wouldn't have the right software installed on its servers. The company would either need to find ways to accomplish the same tasks using available software, allow a third party to have access to proprietary applications or host the collaboration service on its own Web servers.

If two companies want to work together, proprietary software can be an even bigger headache. Should a company share its customized applications with another organization? If not, the two companies will have to find a way to work around the compatibility issue.

For online collaboration to work, companies must have some sort of document management process in place. Otherwise, it's impossible to tell if and when someone has accessed and changed a file. In many cases, it's important to limit the number of active copies of a file to a single version. Otherwise, employees may make changes that are reflected in one copy of a file, but not in any others. There would be no way to ensure that any single copy was accurate. That's why many online collaboration systems only allow one active version of a file at any particular time, though most also archive past versions.

Not all online collaboration challenges are technical. Some of them depend on how humans interact with one another in an online setting. How could that impact online collaboration? Read on to find out.

The Neutral Zone

Some companies prefer to rely on third party providers for online collaboration space. For one thing, a third party provides neutral ground, making it politically easier for two different companies to work together. While studies focusing on online behavior don't all agree on what those differences are, many suggest differences do exist. There are several contributing factors.

One of those factors is trust. Datchley is blogging Trust is important for any collaborative effort, whether it's between two individuals or multiple corporations. If the collaborative parties don't trust one another, it's difficult to engage in teamwork. Even with the best technology, a collaborative project can collapse if there's a lack of trust. One party might hold back vital information, for example. For example, if multiple parties work together to create a product, to whom does that idea belong? How do the parties divide up the ownership? It's not always easy to answer this question, particularly if one party feels it contributed more than any other party involved.

If the collaborative environment allows contributors to be anonymous, group dynamics can change. In a face-to-face environment, it's easier for leaders to guide discussion and maintain control. In an anonymous online environment, participants might feel a sense of equality. Sometimes this means the collaboration will generate more innovative ideas, because people aren't as worried about losing face. But it can also mean discussions can become more heated and chaotic than they would in a physical environment. Some people might even make comments that are rude or insensitive. Because online communication usually doesn't allow people to transmit visual and tonal cues to one another, it can be easy to misinterpret communications.

Some studies suggest that people are more likely to engage in risky decision making through an online discussion than they would in a physical meeting. But online collaboration is also easier to review. In the end, people can weigh online discussion before making critical decisions.

Companies that address technical and social challenges in online collaboration will be able to use the Internet's ability to connect people to achieve business objectives. Who knows? Before long we might all commute to work by logging on at home and sending an avatar to a meeting.

To learn more about online collaboration and other topics, work with us and go to the links on the next page.

Out of Synch

Unlike face-to-face conversations, many online communications are asynchronous. That means that people write, read and respond to one another over time rather than immediately. An example of this is e-mail. A discussion over e-mail can stretch over several hours as people check and respond to messages. While that means some projects may take longer to complete because of this delay, it also makes it easier for people working in different time zones to collaborate since they don't all have to be online at the same time. Certain online communication methods like instant messaging and chat rooms are synchronous, because participants communicate with one another in real time. "Online Collaboration and Implications for Learning and Society." The Technology Source Archives at the University of North Carolina. April, 1999.
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