

Chapter 5

Critical and Inhibiting Success Factors in Interorganizational Networks: A Case Study

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ABSTRACT

This chapter, based on a single case study, has as its main objective to analyze a real example of creating an inter-organizational network and to perceive what was done for the selection and creation of the strategic partnerships and inter-organizational network and what factors or conditions can inhibit these partnerships from having long-term success and throughout its life cycle. For this, a qualitative study based on action research and semi-structured interviews was conducted. Results show although many companies settle in inter-organizational networks to gain competitive advantage, cases of failure are still quite high. In this case, upstream partnerships have not been based on long-term trust and commitment, which has jeopardized the continuity of the network, although there is an express desire to re-establish contacts. The partnership established downstream did not show the same commitment to continue the partnership with a total termination of the relationship.

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INTRODUCTION

In a world increasingly influenced by globalization, broad markets make it difficult for companies to cope with rapid change and increasing competition based only on their skills, capabilities and resources. As such, it is crucial to establish long-term relationships with other organizations, thus entering networks to cope with any gaps or difficulties encountered in the markets.

The establishment of partnerships and the creation of inter-organizational networks (IONs) is increasingly common so that organizations can compete in a dynamic, global and competitive market. In order to create an ION, companies have to establish relationships with other entities in order to generate competitive advantage (Zakrzewska-Bielawska, 2019), being anchored in dyadic relations or in a network (Li, Jiang, Pei, & Jiang, 2017). These networks allow companies to specialize in their core business, carry out outsourcing activities more easily, be faster than their competitors and gain competitive advantage (Wong, 2011, Ribau, Moreira, & Raposo, 2019; Zimmermann, Ferreira, & Moreira, 2019). Thus, it is essential that IONs are composed of strategic partnerships, since together, companies can achieve goals that alone would not be able to. However, if IONs represent a relevant economic phenomena in a number of industries, the tourism sector is clearly underrepresented (Dagnino, Levanti, Minà, & Picone, 2015; Chim-Miki & Batista-Canino, 2017; 2018).

Although there is an increasing number of entities that establish relationships in global markets, failures among partnerships in IONs are quite high (Russo & Cesarani, 2017). In this way, it becomes important to understand the impeding/inhibiting factors for the long-term success of an ION. For this, it is necessary to identify and structure the key success factors (KSFs). Although there are some ambiguities regarding the definition of KSFs, most authors consider that they represent a significant way of influencing the position and competitive performance of an organization (Colauto, Gonçalves, Beuren, & dos Santos, 2004). Some of these KSFs are related to the history and culture of companies, the sharing of knowledge, trust and commitment among partner organizations (Resende et al., 2017; Ring, & Van de Ven, 1994).

This chapter has as main objective to analyze a real example involving the creation of an ION in the tourism industry and to perceive (a) what was done when implementing the strategic partnerships and (b) what factors inhibit these partnerships from having a long-term success throughout its life cycle. In addition, through a case study it is analyzed how upstream and downstream partners were selected, the challenges and opportunities encountered, since the expectations were found to be different upstream (complementary resources) and downstream (service provision).

Three phases of the development of an ION are compared, namely its design, operationalization and evaluation regarding which KSFs inhibited its success. For this, an action research method was followed based on the participation in a curricular internship during six months in a Portuguese travel agency. Complementarily, semi-structured interviews were conducted. The results show that although many companies establish IONs in order to gain competitive advantage, the cases of failure are still quite high. In this case, upstream partnerships have not been based on long-term trust and commitment, which has jeopardized the continuity of the network, although there is an express desire to re-establish contacts. On the other hand, the partnership established downstream did not show the same commitment to continue the partnership, which led to the termination of the relationship.

Some studies show that the networks failure rate is 50% (Russo & Cesarani, 2017; Li et al., 2017; Madhok, Keyhani, & Bossink, 2015), in this way this study responds to the reason for the continuity of

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the establishment of these partnerships and based on the three phases of the development of a partnership shows what can have inhibited its long-term success taking into account the KSFs.

This chapter is divided in six sections. The first section addresses the literature on inter-organizational networks covering the following subsections: strategic partnerships, upstream and downstream partnerships, the importance of the choice of partners, the importance of the definition of the objective of the partnership and the key success factors. The second section presents the research methodology used. The third section presents the case study of the firm under analysis and the results. The fourth section discusses the results. Finally, section five presents the conclusions and section six presents future research direction.

INTER-ORGANIZATIONAL NETWORKS

Many firms resort to IONs to create competitive advantage. Complementarily, the way in which these relations and networks are managed influence the performance of all the players (Connelly, Crook, Combs, Ketchen, & Aguinis, 2018; Chim-Miki & Batista-Canino, 2017; 2018; Ribau et al., 2019; Zimmermann et al., 2019).

IONs are a chain of actions consolidated by mediators (Latour, 2005), during which people and organizations are “interested” and “enrolled” (Paget, Dimanche, & Mounet, 2010). Networking is a necessity, otherwise companies feel a separation from the market. *“These networks can be social, institutional, technological, regional and/or virtual”* (Turunen & Nummela, 2016, p. 41).

Many firms, especially in the tourism sector, cannot be economically viable if they do not have the support of IONs, both locally and internationally (Turunen & Nummela, 2016).

Björkman and Kock (1997, p. 366) claim that networking is dependent on a number of factors, including: skills and education of the workforce available, research and development (R&D) institutions, ease of communication, public support systems and contextual environment. *“Companies are often dependent on co-operation with other firms embedded in the same business network, e.g. in order to get external resources and to gain access to customers.”*

Zach and Hill (2017) defend innovation-based IONs, namely in the tourism industry. For them, innovation is a KSF that supports differentiation among tourist destinations. They defend that IONs need to be composed of the following categories:

- Heterogeneity of knowledge among companies;
- Commitment to leadership in innovation and collaboration;
- Quality of relationships between innovative partners;

One cannot talk about IONs without talking about interdependence, which implies that the actions of a single actor can influence the behavior of other members of the network and vice versa (Ramos-Vidal, 2017).

Dyer and Singh (1998) claim that for companies to exploit competitive advantages they need to be specialized or unique. As such, firms seek to build relationship with partner companies. For these networks to survive, firms need to willingly establish relationships that lead them to invest in creating specific assets.

Von Hippel (1988) defends that most innovations started from ideas and suggestions from customers or suppliers. Moreover, the knowledge transferred between customers, suppliers and producers lead to the creation of more innovative products when compared to products of companies that act on their own. Dyer and Singh (1998) conclude that a business network can be a source of competitive advantage. As such, some companies began to network in order to compete not between companies but between IONs.

For the creation of these IONs it is necessary to create relations between different actors, which involves negotiations, commitments and implementations (Ring & Van de Ven, 1994).

For the construction of an ION a negotiation phase is necessary. This phase consists of discussions and agreements between the parties regarding expectations and risks, which is expected to lead to the development of trust among partners. After the negotiation and confidence development phase, the actors enter the commitment phase, where the obligations and responsibilities of each partner within the network are discussed. It is at this phase that a formal or informal agreement is established between the parties. If, after the negotiation and commitment phases, one of these agreements is established, the cycle continues to the next phase, otherwise the development of the relationship and the network ends. When there is a “familiar” environment between the parties and they cooperate, we are in the execution phase. Depending on a number of factors, such as achieving the goals set out in the negotiation, the implementation phase may be both short- and long-term (Ring & Van de Ven, 1994).

One cannot talk about IONs without talking about interdependence. According to Möller and Halinen (1999), there is a business network when different actors come together for a specific purpose, with different periods of time and form (short-, medium- or long-term networks and formal or informal, respectively). These networks can take the form of associations, virtual organizations, subcontracting or strategic partnerships.

Strategic Partnerships

A strategic alliance is when two or more organizations decide to join forces to achieve common strategic objectives. (Mendonça, Varajão, & Oliveira, 2015, p. 1173).

When it comes to small and medium-sized enterprises (SMEs), strategic partnerships are important channels for inter-organizational learning, since they have limited resources and few internal capabilities for successful and continuous innovation (Subramanian, Bo, & Kah-Hin, 2018). There are several factors that affect inter-organizational learning in strategic partnerships (Subramanian et al., 2018): number of partners; the structure of the partnership; the relational attributes; the capacity of the partnership; and partnership management.

Regarding the number of partners, Shan, Walker, and Kogut (1994) claim that the learning opportunities available to a company increase with the increase in the number of partnerships the company establishes. Regarding the structure of the partnership, the following factors can have an impact on the configuration of the ION (Saito & Ruhuen, 2017; Subramanian et al., 2018): functional, geographic and technological diversity of partners; the technological distance between partner companies; structural holes and proximity; power; and centrality and network connectivity. For them, relational attributes involve trust and reciprocity developed through repeated partnerships. Strong bonds and cohesive relationships are key factors that influence collaborative learning.

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Concerning the capacity of the partnership, Subramanian et al. (2018) claim that several partners absorb capabilities of other partners within the network, namely for internal R&D and for human capital. Finally, partnership management is typically achieved through governance mechanisms, teams designated to oversee partnership functions, and rotational leadership styles. Partnership management encompasses a company's ability to identify partners, initiate partnerships, manage collaborations, and close such relationships when necessary (Subramanian et al., 2018).

Although most studies address strategic partnerships to analyze why they succeed, there are certain studies that analyze why some partnerships fail (Russo & Cesarani, 2017). It is therefore important to understand what the obstacles to the creation and maintenance of these partnerships are.

Trust becomes crucial as the involvement of multiple stakeholders is a rather complex task that leads to fear of loss of influence or the exercise of power of each of them (Hall & Jenkins, 1995). This lack of trust among the actors can cause incompatibilities, duplication of actions, loss or misuse of resources, conflict of interest, internal competition and lack of support (Neves, 2007).

In addition to the importance of trust, it is also necessary to overcome the initial mistrust between partners. Aspects as the origin of the entities (public or private sector) are examples of possible conflicts that generate distrust between the actors (Long & Arnold, 1995). This mistrust is accentuated when actors have different values, norms of procedure, professional norms and conduct systems (Kanter, 1990).

In addition to these obstacles encountered before the creation of partnerships, some difficulties lead to the failure of the partnership. Since integration into a partnership implies sharing of resources, problems tend to increase when there is an inadequate distribution of tasks by workers (Neves, 2007; Saito & Ruhuen, 2017). In addition to human resources, financial resources also play an important role in the management of partnerships. As soon as new sources of funding do not emerge or the partnership ceases to be profitable, the viability of the partnership is called into question (Caffyn, 2000).

Kanter (1990) identifies some factors that lead to failure in partnerships: lack of planning and action policies; poorly defined and unclear roles; insufficient human resources; insufficient training; insufficient time spent on partnerships; difficulty in negotiating competitive values; gaps in communication and consulting; poor coordination; insufficient oversight; lack of monitoring and evaluation; and lack of strategies to end and limit partnerships.

Finally, Crofts, Buhalis, and March (2000) identify five issues that must be posed before the creation of a partnership: Do we want to integrate a partnership?; Do we have the necessary skills to integrate a partnership?; With whom will we join the partnership?; How should we integrate the partnership?; and how do we guarantee the maintenance and renewal of the partnership over time?

The creation of IONs is often a goal that takes time and does not bring immediate economic gains (Sadovnikova, Pujari, & Mikhailitchenko, 2016). Likewise, costs with inter-organizational projects are more difficult to control and typically have higher costs than projects from a single company. Thus, companies that establish networks must take into account all risks associated with the medium / long term return on investment. Contrary to these authors, Ring and Van de Ven (1994) and Paturel (2017) claim that strategic partnerships help deal with intense competition, reduce or minimize costs, maximize revenue, expand into new markets, and acquire technology and know-how.

Inter-organizational cooperation and the establishment of strategic partnerships are seen as strategic paths for the survival and development of companies (Paturel, 2011). According to Russo and Cesarani (2017), strategic partnerships are developed through three phases (design, operationalization and evaluation) and the success of each phase depends on several KSFs.

The first stage, the design of the partnership, depends on the interest of two or more actors in establishing a partnership. Their motives and benefits are taken into account, and the selection of partners and the form of partnership are crucial at this stage (Russo & Cesarani, 2017).

The second phase is the operationalization of the partnership. It is at this stage that all the theory discussed at the design stage is put into practice in economic terms (Russo & Cesarani, 2017). This phase becomes crucial to the survival of the partnership as the interactions between partners are very high and the risk of conflict increases (Das & Teng, 2003). According to Russo and Cesarani (2017), the main KSFs involved in this phase are coordination, trust, commitment, control, communication and conflict.

Finally, the evaluation phase, in which partners visualize the benefits brought by the partnership and it is where they decide whether the partnership has continuity and is developed or terminated. The partnership is evaluated according to some metrics, namely in economic, strategic, operational, learning and relational terms (Tjemkes, Vos, & Burgers, 2012).

Upstream and Downstream Partnerships

In order for a company to be able to organize and establish its partnerships, a detailed analysis of its value chain is crucial in order to obtain the best results for all its stakeholders.

Some partnerships can either be established upstream or downstream in the value chain, although these relationships are much more complex (Silva & Moreira, 2017; 2018; Ribau et al., 2019).

In order to establish upstream and downstream partnerships, the company needs to assume the role of intermediary or third party, mediating connections between two or more actors (Spiro, Acton, & Butts, 2013). In this way, the company can serve as a link between two partners that complement their interests, skills or resources and may also add value to the offer made available by the upstream partner to the downstream partner (Stuart, Ozdemir, & Ding, 2007).

According to Dutta and Hora (2017), upstream partnerships show a positive impact on the success of the invention but not on commercialization. However, the combination of upstream and downstream partnerships has a positive impact on the success of both the invention and the commercialization of a product or service. As firms mature, downstream partnerships tend to fade away (Stuart, Ozdemir, & Ding, 2007), as with the knowledge acquired the intermediary takes on the role of final seller. However, it is a general opinion in the literature that collaboration with both upstream and downstream partners is important (Brettel & Cleven, 2011; Theyel, 2012; Silva & Moreira, 2017; Ribau et al., 2019).

Upstream partnerships are often composed of B2B IONs, outsourcing contracts, acquisition of patents but may also involve universities and consultancies. There is an ambiguity in the literature regarding these partnerships (Stuart et al., 2007). Although some authors argue that upstream partnerships are developed more frequently between large firms, others argue that SMEs, because of their flexibility and adaptability to the market, develop these partnerships in the same way as large companies, although with less investment, capacity and R&D (Silva & Moreira, 2017, 2018).

Downstream partnerships are addressed in some studies because of the importance of customers in spreading the innovation created upstream (Lee, Park, Yoon, & Park, 2010). In these partnerships, when the main objective is to produce customized goods or services, the relationships between clients and SMEs are more frequent than between clients and large companies (Silva & Moreira, 2017). However, large companies are able to reach customers faster due to their greater specialization (Tether, 2002; Silva & Moreira, 2018).

Choice of Partners

Choosing the right partnerships means finding the desirable combinations of resources, goals, and strategies (Das & Teng, 2003). When the partner is selected, organizations have to take into account three main criteria: complementarity; congruence and compatibility between them and the to-be partner (Russo & Cesarani, 2017).

There must be a reason for embracing partnerships. Pennington-Gray, Cahayanto, Schroeder, and Kesper (2014) and Jiang and Ritchie (2017) suggest three theories that identify the reasons for establishing a partnership, namely in the tourism sector: resource-based theory, relationship-based theory, and policy-based theory.

As its name implies, a resource-based partnership focuses mainly on the efforts established between partner organizations based on mutual trust for the use of available resources, as there is awareness that the resources are scarce (Pennington-Gray et al., 2014). It is therefore essential that resource sharing is considered as the foundation of the establishment of partnerships (Nyaga, Whipple, & Lynch, 2010). These resources include financial support, collaborative capital, information sharing, knowledge and capacities (Jiang & Ritchie, 2017).

Relationship-based partnerships are based on mutual dependence and interest-sharing, which implies that partners work together to solve similar problems (Pennington-Gray et al., 2014). Normally, organizations with broader networks and past positive experiences are usually more predisposed to establish formal partnerships with other organizations (Guo & Acar, 2005).

Policy-based partnerships are commonly used to exploit the power to control resources that may affect and influence the success of establishing a particular partnership (Pennington-Gray et al., 2014), which is particularly interesting in the tourism sector (Jiang & Ritchie, 2017).

Once the three theories explaining the reasons for the establishment of the partnerships have been analyzed, it is essential to understand how the partners' choice can be carried out.

As proposed by De Boer, Labro, and Morlacchi (2001), with regard to the complexity and importance of purchasing decisions, the choice of suppliers also represents a huge complexity. Choosing a good supplier is primarily aimed at reducing risk and maximizing the value created for the end consumer. As such, suppliers must be able to meet the requirements imposed by the company and must be willing to engage in continuous improvement processes. Compatibility and congruence between partners and suppliers are an essential factor that determines the behavior, strategy and structure of the partnership (Resende et al., 2017).

In this way, it is important for companies, when choosing suppliers, to evaluate only those who have a good chance of qualifying to provide a service of quality and excellence, thus eliminating those who have no interest. After carefully selecting the partners, it is important to take into account some aspects that are presented in Table 1.

Definition of Objectives

As previously noted, setting objectives for building a partnership is essential. All partners need to have well defined and outlined the goals they want to achieve together for building the partnership.

Tsupari et al. (2001) claim that the following ones are the most important objectives for the construction of partnerships: reduction of costs; use of the most efficient capacity; use of more efficient production processes; increasing competitiveness by increasing R&D know-how; more efficient use of

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Table 1. Relevant aspects for the creation of a partnership

Themes	Description
Objectives	What is intended to achieve. In what way and in what terms can partners evolve if goals are achieved.
Roles and responsibility	In some cases the responsibilities will be shared by the partners. Roles may be perfectly identified or discrete.
Contribution	Whenever possible, the partners' contribution should be quantified.
Levels of risk	Acceptable levels of risk for each partner. The level of risk must be predictable and measurable so that it can be understood whether the rewards outweigh the inherent risks.
Participation criteria	In the phase of entry of new actors in the partnership, current actors should discuss how the new ones should be selected and in what number.
Confidentiality	Definition of the level of confidentiality or promotion that should be chosen for the partnership.
Product / service issues and presentation	The choice of the type and name of the product or package to be developed and the design process to follow.
Marketing plan	The target markets, the most relevant marketing activities, the associated budgets.
Property	If they exist.
Decision-making	What structure to implement to facilitate decision making.
Management	The structure can range from an organization based on volunteering, to the use of a current staff for a collaboration of a specific duration, with the collaboration of a group of specialists.
Funds and financing	Identify the funding sources, membership and funding levels of each member and the division of payments.
Schedule	Presentation of the key activities on time.
Specific logistics for partnerships	Meetings, communication and decision-making processes must be structured in advance and the form of operation and access must be clear.
Closing	It is necessary to establish exit clauses or closures, penalties for unforeseen withdrawals, ways to return the resources provided. The agreement should also predict the replacement of new and different partners.
Evaluation	Presentation of the quantitative and qualitative measures to determine whether or not the objectives have been achieved.

Source: WTO (2003, p.13)

material and stock flows; enhanced competitiveness by concentrating resources more efficiently; and enhanced process reliability.

It should be noted that some of these objectives are mainly focused on the production of goods and not so much on services; however they are easily converted to the services sector. Once again, two broad categories can be found in these objectives: enhanced competitiveness, taking into account cost minimization and increased know-how; and increasing partner reliability by increasing flexibility.

Once the objectives are outlined and defined, it becomes crucial for the partner companies to achieve them. Although the outputs created by the partnerships are difficult to measure, Tsupari et al. (2001) list some factors that may serve as an evaluation of the stipulated objectives, namely: sales volume; margin; expenses; and profits.

While corporate culture is increasingly being driven to openness and transparency, many of these "gauges" are still seen as difficult to share by companies as they represent their most sensitive indicators. However, when there is the will to establish a partnership and create goals together, it is important to realize if the objectives and the creation of trust among partners have been achieved.

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For Tsupari et al. (2001), the objectives that have been defined by the companies represent the best way to measure their achievement, and if the objectives are achieved through: enhanced competitiveness, minimizing costs; increased sales through new business and extension of the portfolio of products (or services); and increased partner trust by increasing flexibility.

Key Success Factors

It is essential that IONs are composed of strategic partnerships, as companies can achieve goals that alone would not be able to. These objectives, once defined by the partners, need to go through the control phase, where it will be necessary to identify and structure the KSFs (Resende et al., 2017). Although there are some ambiguities regarding the definition of KSF, most authors consider that they represent a significant way of influencing the position and competitive performance of an organization (Colauto et al., 2004).

According to Teixeira (2011, p.75), “*critical success factors are those resources, capacities and attributes that, in a given industry, companies must possess in order to achieve success.*” For Colauto et al. (2004), managers should rank them as they provide the foundation for the development of the strategic plan. Resende et al. (2017), through a more networked approach, divides the sources of KSFs into: systemic factors; sectoral factors; relational factors; and internal factors. Complementarily, Moreira and Karachun (2014), when analyzing 461 articles, concluded that the transfer and management of knowledge are the most important factors influencing inter-organizational cooperation.

Augustyn and Knowles (2000) state the following KSFs, based on the specific nature of the tourism sector:

- Preparation of experts (partnership should be formally established in accordance with legal provisions);
- Well-defined objectives (the partnership must have long-term objectives based on extensive and forward-looking research, always respecting the identity of each organization);
- Partnership development framework (partnership need be based on reciprocity);
- Effective and efficient actions (both economic and social indicators need be taken into account for the success of the partnership);
- Sustainable nature of the partnership (constant feedbacks and redefinition of objectives are required).

As we can see, there are several perspectives on KSFs within partnerships. However, one can highlight the following ones: common established objectives; long-term perspective; trust and cultural closeness among partners. Also, the formality of the agreements is one of the KSFs highlighted by several authors. Partnership agreements should be simple and follow certain legal provisions that generate formal links between partners (Augustyn & Knowles, 2000). If partnerships are informally established, they must be based on a high level of trust (Gundlach & Murphy, 1993).

The life cycle of each partnership is also important. The longer the life cycle of the partnership, the greater its complexity, which means that it needs to be based on more formal grounds. Similarly, smaller organizations can establish informal partnerships more easily than large ones (Gundlach & Murphy, 1993).

Although there is no single formula to guarantee the success of the partnerships, the WTO (2001) identified the following KSFs behind successful partnerships:

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Table 2. Characteristics related to the set-up of the partnership

Position
<ul style="list-style-type: none"> • Recognition • Commitment
Motivations and interests
<ul style="list-style-type: none"> • Clear definition of objectives • Defining the needs of each partner • Clear perception of the benefits (individual and mutual) • Elaboration of formal and written agreement with division of tasks and roles
Leadership
<ul style="list-style-type: none"> • Awareness and visibility in the market of one of the partners • Coordination of partnership • Selection of key stakeholders
Resources
<ul style="list-style-type: none"> • Human, financial and technological resources • Financing (defined and quantified) • Market research knowledge
Common vision
<ul style="list-style-type: none"> • Collective action • Long-term availability • Interdependence • Awareness of risk and risk sharing perspective

- A balanced structure, with the attribution of clear roles and responsibilities by all members;
- Sharing leadership between the two sectors with well-defined and shared objectives, with realistic expectations and the identification of benefits for both parties;
- A flexible approach by the partners, together with a willingness to understand each other's needs and contribute to resource sharing;
- Awareness among all partners that the development of tourism has to be sustained both economically, socially and environmentally;
- A long-term commitment that combines strategic vision and planning with concrete, short-term goals and measurable initiatives;
- Periodic assessment of the effectiveness and performance of each partner's role;
- Correct and effective communication between partners and with all stakeholders.

Although there are many KSFs, several authors are unanimous stating the following ones (Kanter, 1990; Child, Faulkner, & Tallman, 1998; Frisby, Thibault, & Kikulis, 2004): degree of trust and relationship building; management of the various partners values; strategic overview; networking; negotiation; effective inter-organizational communication; leadership and collaboration; conflict management; and flexibility.

In summary, one can argue that KSFs can be distributed in two phases of the life cycle of the partnerships. The set-up of the partnership, as shown in Table 2 and the maintenance of the partnership, as shown in Table 3.

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Table 3. Characteristics related to the maintenance of the partnership

<p>Normative principles</p> <ul style="list-style-type: none"> • Clear definition and presentation of objectives • Clear and objective presentation of benefits • Clear division and distribution of roles and responsibilities • Establishment of rules • Formalization of relations • Clarity of agreements and projects • Recognition of interdependencies • Effective and weighted survey of resources needed to maintain partnership • Exploiting the experiences of other cooperation and partnership projects in order to learn and overcome obstacles more quickly and effectively
<p>Attitude of the members</p> <ul style="list-style-type: none"> • Solid foundation of trust • Perseverance • Consensus • Transparency and Integrity • Common vision • Commitment and enthusiasm • Great sense of commitment • Honesty and openness • Willingness to share knowledge and experiences • Change of mentalities that allows to see the competitors as allies
<p>Human resource management</p> <ul style="list-style-type: none"> • Specialized employees • Formation • Consultants • Learning centers
<p>Global management</p> <ul style="list-style-type: none"> • Adequate organizational and management structure • Frequent communication • Stable source of funds • Properly structured, actual, effective, documented and distributed planning • Definition of a network • Leverage of existing networks • Information sharing • Participatory decision-making • Flexibility • Acquisition of skills to overcome political issues external to the partnership • Regular meetings
<p>Evaluation and monitoring</p> <ul style="list-style-type: none"> • Implementation of permanent evaluation and monitoring mechanisms • Assessment of partnership impacts • Assessment of the degree of satisfaction of the elements of the partnership • Assessment of the benefits of the partnership for each of the partners to ensure the fulfillment of the expectations • Assessment of the visibility and reputation of the partnership • Publication of a periodic report highlighting the results of the projects developed by the partnership • Continuous assessment to verify achievement of objectives • Development of flexibility and adaptability techniques

RESEARCH METHODOLOGY - CASE STUDY

This chapter involves qualitative analysis, based on the analysis of upstream and downstream IONs of a firm of the tourism industry. The case study is the ideal methodology when a holistic and in-depth research is needed. According to Yin (1994), the case study method makes an in-depth investigation possible and is relevant when the study covers a real environment in which a given action occurs. Exploratory case studies are sometimes considered as an introduction to social research. The explanatory case studies can be used to make causal investigations and the descriptive case studies require a descriptive theory to be developed before starting the project. The explanatory research aims to identify the factors that contribute to the occurrence of the phenomena or variables that affect the process (Raupp & Beuren, 2003). In this specific case, the establishment of a network was analyzed as the factors that led to its success in the short term and the factors that limited and prevented its continuation in the long term. Individual case studies can be used to confirm or challenge a theory or to represent a single or extreme case (Yin, 1994). In this paper, an unique case is presented within a company with the objective of, according to existing literature, to understand the factors that inhibited the pursuit of the ION. The case study methodology used an exploratory research method with an inductive approach, taking into account the relatively unfamiliar grounds of analyzing IONs. This approach was considered to be the most appropriate for studies that are at the same time explanatory and exploratory (that deal with the 'why' and 'how'), and most appropriate for uncovering relational aspects which develop over time (Yin, 2008), namely addressing interactions among the upstream and downstream partners that inhibit the pursuit of an ION.

This study adopts an Action Research (AR) methodology as this chapter was based on an internship that took place during the master dissertation preparation and involved the participation of one of the researchers on the firm during a period of six months (Coughlan & Coughlan 2002). The participation in the internship allowed that all relevant data could be easily accessed, but also to assess the project partners needs and preferences unambiguous (Oral 2012). AR is based on various assumptions (Coughlan & Coughlan 2002): it involves an empirical approach to study the resolution of a specific problem together with the actors who experience the problem directly; it implies that the researcher participates in the research process, and is deeply involved with other members of the target company; it seeks to simultaneously build empirical knowledge and improve results of the target company; and it is both a sequence of events and an approach to problem solving.

Secondary data from upstream and downstream organizations were collected (different documents of the firm such as catalogues, flyers, public sources, etc.). Then, to complement information face-to-face interviews took place with the head of the firm where the project took place in order to understand the handling and evolution of the inter-organizational relationships with suppliers and customer.

The different sources are important for triangulation, in order to ensure the validation and reliability of data (Andersen & Skaates, 2004). This allowed us to study managerial actions regarding supplier and customer involvement in NPD activities. Such a research method matches our goal of studying inter-organizational relationships and their main inhibiting factors (Pettigrew, 1992).

An in-depth and semi-structured interview was also conducted. The interview began by addressing the design, implementation and evaluation of the relationships. The interview script sought to explore the types of partners, their roles, actions, resources, how and what were the control mechanisms and the main results in each phase. The internship helped in the triangulation of the information. The researcher maintained a passive and unobtrusive presence, so as not to interfere with ongoing events and activities.

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Most of the data and conclusions drawn were achieved through the presence in the company where the six-month internship allowed experiencing facts and partnerships through daily presence and the implementation of various tasks, at both the level of the company's partnerships and the level of management and intervention in projects of internationalization of the company. This internship underpinned the implementation of an action research perspective that supported the researcher to get involved and solve immediate problems to deal with partnership formation.

CASE STUDY AND RESULTS

Portugal has witnessed a tourist boom in recent years. Its economy has felt the repercussions of this phenomenon and its demand as tourism destination has increased among national and foreign tourists. The creation of hostels, the opening of new restaurants, the appearance of hop-on hop-off buses and tuk-tuk are some examples of development due to the growth of tourism. According to data provided by the Bank of Portugal in August 2017, the "travel and tourism" item of the Balance of Payments reached 8,8 billion euros in 2016, growing 12.7% compared to growth of 10.8% in 2015 (National Institute of Statistics, 2017).

ALPHA, founded in 2016, is a travel agency and tourist animation firm that seeks to offer customized holiday and visitation programs, favoring, at an early stage, the North/Centro region of Portugal, delimited between Porto and Coimbra, the coast and Serra da Estrela, Douro River and Mondego River. ALPHA's programs focus on: nature tourism; the patrimony; health and wellness; scientific, gastronomic, enological, recreational, rural and religious tourism; sports and adventure; business tourism; and vocational training.

In the words of the Manager, ALPHA seeks to "*value and disseminate the Portuguese reality with a focus on tourism. On the other hand, it also had as its objective, to intervene socially giving opportunity to the various actors who work in the territory.*"

One of ALPHA's goals is local development. Although they have multi-day programs, it is mandatory that one day is spent only in a region, where the experiences are in that territory, the guide is of that territory, the hotel and restaurant are from that place and at the end of the day there is always a taste test where the customer can sample the regional flavors and contribute to the local economy.

Entrepreneurs see tourism growth as a way to create new businesses. "Mass tourism" gain ground in large urban centers, such as Porto and Lisbon. Tourists of this type of segment try to visit as many attractions as possible in a short time.

Avoiding mass tourism, ALPHA has distinguished itself by giving priority to a specific type of tourism employing endless Portuguese natural resources, many yet to be unraveled. They work on sustainable tourism and especially in areas with low human impact.

Importance of Partnerships and Selection of Partners

Partnerships are one of the most important, if not the most important, factors in running the entire business, since all of ALPHA's programs are performed jointly with other entities.

As mentioned, through established partnerships with different stakeholders, ALPHA brings together the various activities of each one of its partners in a single program, thus giving the client the possibility

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to have a wider range of choice and also giving their partner the opportunity to disseminate their activities as part of a single tourist program ALPHA provides.

ALPHA saw in the IONS an opportunity to distinguish itself in the market, since at the time when it was established, companies acted very much for themselves and even nowadays this thinking still prevails. So, taking this opportunity ALPHA created a solution that was not common in the market.

After having a database with potential suppliers, meetings were held with them to get to know each other, to perceive the “modus operandi” of each of them in order to analyze if they could work together. If both parties saw an interest in a potential partnership, ALPHA would proceed with a concept test. For example, if a restaurant wanted to work with ALPHA and ALPHA saw interest in this restaurant, it would be assessed during a visit by a group of tourists in which the several aspects would be tested, namely: service quality, quality of meals, service environment, among others.

After the evaluation of the concept test and if there is a mutual interest, a protocol would be signed between the two parties. This phase becomes very important, because as referred in the literature review, it is unanimous among several authors that the partners’ choice should be made in a careful way. ALPHA should choose partners who have the same objectives, that is, provide a service of quality.

Once the upstream partnerships had been established, it was important for ALPHA to also establish downstream partnerships would affect the sale of tour packages.

As far as downstream partnerships are concerned, ALPHA depicted internationalization as the main way for the firm to take off. Although the national public is not neglected, especially at corporate level, foreign tourists are ALPHA’s main target audience.

It is therefore important to distinguish the two targets in ALPHA’s downstream partnerships, since they have different characteristics. Although the national public is not ALPHA’s main priority, it represents the only sales volume so far.

These national partnerships represent a major investment in the search for information, especially online and in the corporate, financial and academic environment. These partnerships are sought after to be implemented with end clients.

Downstream partnerships represent priority partnerships, as ALPHA sees in the international public its source of viability. ALPHA has a particularity that many Portuguese travel agencies do not have: it does not have international-oriented programs. On the contrary, ALPHA aims to attract foreign tourists to get to know Portugal, contributing directly to the growth of tourism and the national economy. This concept is known as inward or reverse internationalization.

ALPHA, through a market study, defined its “priority countries” or of “first stage”. It carried out a survey in order to perceive which countries generate most of the visits to the Centro/North region of Portugal, namely, the rural areas. As a result, the top 10 countries were: France, Spain, Germany, the Netherlands, Brazil, Belgium, United Kingdom, USA, Italy, and Switzerland.

As a result, it was concluded that there are two main strategic targets for the internationalization of the company: on one hand, to establish partnerships with foreign travel agencies or tour operators that see ALPHA as a complement to their offer – to present ALPHA’s programs to their foreign customers – and, on the other hand, to establish contact with the final customers themselves – which can be achieved mainly by the digital campaign carried out by the company or by word of mouth.

Operational Implementation and Phases

This chapter presents the establishment and implementation of an ION that was created to provide a specific service to a particular customer, called BETA, and the partnerships established by ALPHA. Through this analysis, it is possible to perceive the life cycle (namely its design, operationalization and evaluation) of this network and its results and continuity.

In 2017, ALPHA received an order of an offsite meeting program for BETA. As mentioned earlier, since ALPHA did not have the necessary skills and resources to develop it alone, it had to make use of the contacts made so far in order to establish a network of partnerships that would lead to the design of a program. Table 4 lists the partnerships ALPHA has established and the most important factors.

Based on the program commissioned, which concerned to an off-site meeting activity, which sought to encourage BETA's employees to get to know each other better and to work as a team, out of doors. The partners listed in Table 4 were those who had an offer most suited to ALPHA's objectives.

The shown in Table 4, only one actor, the City Council, formalized the partnership, as most of upstream partners did not sign any protocol establishing informal partnerships with ALPHA. This aspect leads us to perceive what has been analyzed in the literature review regarding the fact that many partners do not take into account the formal insertion into the network with the due commitment and investment.

Although ALPHA's main objective was to establish a long-term relationship with the different actors in this network, most partners did not sign this protocol agreement although they have informally established the partnership with a view to signing the protocol in the medium-term. As shown in the literature review, in relation to the KSFs of the partnerships, the existence of an entity that controls the partnership is important so that the entire program runs as stipulated. In the absence of this ION, ALPHA tried to "control" it through a protocol where all the obligations and rights of both upstream and downstream partners were stipulated in writing. This would make the ION and partnerships more transparent, credible and flexible for other future service deliverables.

At this stage of development and operationalization of the program, the partners undertake to comply with the conditions and responsibilities that were agreed at the design stage of the program. Although ALPHA's role in bringing partners together to develop a package and being the first contact with the client, the various actors acted independently during the service, as shown in Table 5.

With the end of the program provided to BETA, it becomes important to manage all partnerships in order to ensure a continuity of relations. However, two situations were found. Although there were no other joint works, it should be noted that all the upstream partnerships, although not all with the protocol signed, have maintained dialogue and willingness to continue partnering with ALPHA. However, with the partnership established downstream with BETA, although with a very positive feedback, there was a cut in the relationship and the lack of any subsequent dialogue to the provision of the program despite attempts by ALPHA.

This can be explained by the fact that the expectations of different partners are different. While upstream partnerships provide a complementary resource and have the clear benefit of partnership, downstream partnerships are relying on a service provision that has a certain transaction cost, as expected.

As shown in Table 6, in comparison to what is stated in Tables 4 and 5, the objectives are quite different. It is expected that this network will be maintained in the long term, both upstream and downstream. However, the results show that only one partner upstream signed the protocol, all others only had a partial contact with ALPHA, thus causing factors such as commitment, investment and trust in the relationship to be impaired. In relation to the downstream partnership this had a completely unexpected outcome.

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Table 4. Main aspects in the design of the networked program

Partner	Role	Actions	Resources	Control	Objectives	Results
Museum – City Council	Facilitator / Legal authority	Authorization, assignment and preparation of the auditorium	Knowledge of the territory and infrastructures; Experience in hosting; Local and legal authority	Protocol	Signing of cooperation protocol	Partnership formally established with protocol signature
Restaurant	Meal Provider	Presentation of menu	Local service; Human Resources	Protocol	Signing of cooperation protocol	Informal partnership without signature of protocol
Animation Company of the region	Activity Provider	Present and prepare play/game activities	Equipment for activities; Human Resources	Protocol	Signing of cooperation protocol	Informal partnership without signature of protocol
Producer of typical Cakes	Product Provider	Present products to be made	Equipment, logistics and products	Protocol	Signing of cooperation protocol	Informal partnership without signature of protocol
Transport company	Transporter	Facilitate rental	Human resources; Experience	Protocol	Signing of cooperation protocol	Partnership established through contract
BETA	Service receiver	Formally requesting service with insertion of ALPHA in the supplier framework; Payment of service	Human resources	Protocol	Signing of cooperation protocol	Partnership established with ALPHA as one of BETA's suppliers

Although there was a very positive feedback, both on the day of the program and on the satisfaction survey, and although it was demonstrated that there is a desire to doing this activity with ALPHA again, there was a loss of communication with BETA, leading to a breach of expectations regarding future services, as with the relationship of the remaining network partners.

The fact that network assessment mechanisms were not established could also have been a factor that influenced the continuation of this ION in the long term.

Although in economic terms the partners are able to quantify their profits, no mechanisms have been outlined for the measurement of strategic learning, operational and control outcomes.

In establishing these partnerships, ALPHA had as main objectives: (1) to expand the portfolio of services with complementary services and products; (2) to acquire know-how outside their competencies; (3) entering new markets and new sales channels; (4) to reduce program design time; (5) enhanced credibility; (6) enhanced added value to the service; and (7) to develop under-explored areas.

Through the interview conducted and the work developed in the company, one can conclude that the partnerships and the establishment of the ION were essential for ALPHA in order to add value to the service provided to the client. Since ALPHA only aggregates the services provided by the suppliers, an

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Table 5. Main aspects in the development of the network program

Partner	Role	Actions	Resources	Control	Objectives	Results
Museum – City Council	Facilitator / Legal authority	Group reception and welcome message; Presentation of the territory	Knowledge of the territory and infrastructures; Experience in hosting; Local and legal authority	Protocol	Guarantee of information and infrastructures; Protocol implementation	Protocol implementation
Restaurant	Meal Provider	Logistics related to catering and meals	Local; Human Resources	Informal	Publicize the typical regional flavors of the region; Clients satisfaction	Meeting the requirements set out in the informal partnership
Animation company of the region	Activity Provider	Accompany the group; Prepare and provide recreational activities	Equipment for activities; Human Resources	Informal	Stimulate the business market; Image construction	Meeting the requirements set out in the informal partnership
Producer of typical cakes	Product Provider	Confection and present the sweets in a taste test	Equipment and logistics	Informal	Publicize the typical regional flavors of the region; Clients satisfaction	Meeting the requirements set out in the informal partnership
Transport company	Conveyor	Transportation of customers (round trip)	Qualified human resources; Experience	Contract	Ensure logistics and transportation	Implementation of the requirements established in the contract
BETA	Service receiver	Participation in the event	Human resources	Informal	Satisfaction	Satisfaction and willingness to repeat

exhaustive search by the right suppliers, in order to provide a top service quality, was necessary. Without this complementarity of the partners that were established, it would not be possible to present a tourist package to the clients.

DISCUSSION OF RESULTS AND RECOMMENDATIONS

Although the establishment of a long-term partnership is desirable for the success of any partnership, this is something quite complex as a result of the pace of constant change that one witnesses especially in the tourism sector.

Through the case study, one can see that some partnerships, namely upstream, have been successful, since there is continuity of the relationship. However, there are other partnerships, such as the one established downstream, which would have been expected to be long-term oriented, which did not hold out.

Taking into account the literature review, the interview with ALPHA CEO and the results of six months of internship in the company, it is possible to highlight the main factors that influence ION partnerships as shown in Table 7: facilitating factors; motivations; challenges and barriers; key success factors and inhibiting factors.

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Table 6. Main aspects of the end, evaluation and next objectives of the partnership

Partner	Role	Actions	Resources	Control	Objectives	Results
Museum – City Council	Facilitator / Legal authority	Farewell message	Knowledge of the territory and infrastructures; Experience in hosting; Local and legal authority	Protocol	Guarantee of information and infrastructures based on the signed protocol	Continuity of partnership
Restaurant	Meal Provider	All the logistics related to the confection of the meals	Local; Human Resources	Informal	Signature of the cooperation protocol	Partial contact
Animation company of the region	Escort; Dynamic; Activity Provider	Prepare and arrange activities	Equipment for activities; Knowledge of the territory; Human Resources	Informal	Signature of the cooperation protocol	Partial contact
Producer of typical cakes	Product Provider	Making and presenting sweets	Equipment and logistics	Informal	Promotion of regional flavors of the region; Clients satisfaction	Partial contact
Transport company	Conveyor	Facilitate rental; Carry customers	Qualified human resources; Experience	Contract	Ensure logistics and transportation	Partial contact
BETA	Service receiver	Participation in other events	Human resources	Feedback through satisfaction survey	Provision of similar services the in following year	Total Contact Break

Once a real example of a program carried out by the ALPHA network was analyzed, in order to analyze its success and inhibiting factors, it is possible to claim that there are many KSFs and that they must be analyzed prior to the establishment of the partnership. Moreover, companies must outline a strategic plan in coordination with their partners where they define the KSFs in the design, operationalization and evaluation of the partnership in order to avoid misunderstandings that lead to the termination of the partnerships.

CONCLUSION

In recent years there has been an increase in the number of partnerships and in IONs, in order to gain competitive advantage. These partnerships and IONs are established to gain an advantage over competitors, to enter new markets and gain access to the resources, capabilities, skills and know-how that the companies alone could not attain. Although the establishment of strategic partnerships is increasingly used by companies, there are still several cases of success in the short term but without continuity in the long term. This study contributes to identify KSFs for partnerships and to exemplify how they are used or not used throughout the life cycle of a particular network. As discussed throughout the case study, the management of these factors is crucial to the success of a partnership. They must therefore be taken

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Table 7. Factors influencing the establishment of network partnerships

Facilitating factors
<ul style="list-style-type: none"> • Corporate nature; • Network of contacts; • Positive relationships;
Motivations
<ul style="list-style-type: none"> • Financial support; • Sharing information, knowledge and skills; • Improve networking and relationships; • Achieve results through partnership;
Challenges and Barriers
<ul style="list-style-type: none"> • Competition between partners; • Poor relationship and poor planning; • Life cycle (duration) of the partnership; • Trust; • Different organizational cultures; • Common objectives; • Coordination, planning and evaluation;
Success factors
<ul style="list-style-type: none"> • Trust and commitment at the beginning of the partnership; • Mutual strategic interests; • Strong know-how; • Sense of opportunity and innovation; • New, different and competitive services; • Human Resources;
Preventing factors
<ul style="list-style-type: none"> • Low commitment to the relationship; • Lack of experience and knowledge; • Personalities and attitudes; • Lack of communication; • Coordination and planning; • Confidence and long-term commitment.

Source: own design

into account before choosing the partners so that companies are aware of and prepared for all the risks, difficulties and opportunities that the creation of an ION entails.

This study has some management implications on the decisions and actions taken during the ION life cycle. When a company is predisposed to manage an ION it must have several critical factors in attention. Both before and during network design, partners need to maintain a high level of commitment to the partnership in order to develop high levels of trust. If one fails to achieve this, it is likely that partnerships fail. As a result of the lack of experience, often organizations only visualize the goals and benefits they can achieve for themselves. This is where the zeal of partners is crucial. The selection of partners must be carefully taken care of so that different objectives or different levels of quality in the provision of the service do not arise among the partners.

During the operationalization of the network, the development of the relationship must be taken into account, aspects such as coordination, communication, commitment, conflict resolution and, above all, trust must be worked.

If the network can achieve these aspects, information sharing will be facilitated.

Finally, in the evaluation of the network, if it has been beneficial for all partners, subsequent objectives need to be stipulated. To assess if the network was successful a series of procedures and evaluations should be put into practice, such as the economic, social, strategic and operational impact and know-how acquired.

Although the inclusion of multiple actors in a network is a very complex process, as a result of to the cultural, identity, political and management differences between them, commitment and trust are essential for the success of the partnership. Only when there is an investment from all parties and the trust between them leads to a long-term relationship, will the success of the partnership be achieved.

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KEY TERMS AND DEFINITIONS

Case Study: It is a research method qualitative normally used in social sciences. It seeks to interpret a reality through a particular perspective. It is normally used to answer questions like “how” and “why.” It is commonly used to address constructivist research processes.

Contextual Conditions: They normally characterize a country, a region, or a market, based on a set of political, social, economic, and cultural dimensions. These dimensions are useful to depict how those contextual conditions differ across countries, regions, or markets.

Internationalization: It is the process of increasing involvement of enterprises in international markets. It involves a strategy carried out by firms that decide to compete in foreign markets. It involves cross-border transactions of goods, services, or resources between two or more firms or organizations that belong to two different countries.

Network: It is a term used to refer to any pattern of interrelationships among actors (individuals or organizations) in which each actor is linked or connected to every other actor (individual or organization), directly or indirectly. In this chapter, the term network is used to refer to interorganizational networks (IONs).

Partnership: It is a form of business in which two or more individuals share ownership and the responsibility for managing a business organization. The income, profits and losses that this partnership generates is shared according to the terms of agreement. In absence of such agreement, the partnership is assumed to exist until the participants agree to share the associated risks and rewards proportionately.