

The Dynamism of Strategic Cooperation: Lessons from Successful European Knowledge Intensive e-Businesses

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Abstract

Recent advances in Information and Communication Technologies (ICTs) and the advent of the Internet have facilitated the growth of collaborative strategies amongst small e-Businesses (Matlay and Westhead, 2005). In addition, during the last decade, team-led entrepreneurship has been identified as a highly profitable alternative to single founder entrepreneurship. Research suggests that growth oriented, small e-Businesses operating in international e-Markets are more likely to be founded and managed by *teams* of e-Entrepreneurs (Matlay and Westhead, 2007). In increasingly globalised and hyper-competitive markets, ‘virtual teams’ of e-Entrepreneurs search, discover and exploit new entrepreneurial opportunities. This type of entrepreneurial team consists of geographically dispersed entrepreneurs who are led by common entrepreneurial interests and interact electronically in order to promote interdependent strategies and fulfil entrepreneurial goals. Illustrative case studies are used to compare and contrast emergent collaborative and competitive strategies in small e-Businesses that are lead and managed by e-Entrepreneurs who are members of a pan-European virtual team. Collaborative and competitive strategies of e-Businesses are identified and related outcomes are analysed. A future research agenda is suggested and pertinent policy recommendations are offered.

Keywords: e-Business, Collaboration, Competition, Virtual Teams, e-Entrepreneurs, Culinary Tourism, Europe.

Introduction

Until recently, 'traditional' organisational forms, which emerged during the Industrial Revolution, have dominated the economies of both developed and developing nations (Volberda, 1996). In industrially developed countries, traditional organisational forms encompass a wide variety of sizes, locations and economic activities including small and medium-sized enterprises (SMEs). Notably, however, much of the ensuing economic, policy and research interest during the 20th Century focused mainly upon the activities and contribution of large organisations and multinational corporations (Gerschenkron, 1962; Heblich, 2007). As a result, the needs and performance of SMEs were largely neglected (Best, 1990; Hamel and Prahalad, 1994). The industrial restructuring and large firm downscaling that took place during the 1970s and 1980s generated large scale youth and adult unemployment over a relatively short timescale. The ensuing socio-economic upheaval resulted in a radical shift in national policy and research perspectives as well as the inclusion of smaller firms in their remit (Sabel, 1989; Carlsson, 1994). It is now widely accepted that SMEs make a significant contribution to the economy in terms of employment, productivity and competitiveness (Carree and Thurik, 1998; Carree and Thurik, 1999) and that a healthy and growing small business sector is crucial to the socio-economic and political infrastructure of a nation.

During the 1990s, the dominance of traditional organisational forms has been challenged by the emergence of the Internet and related developments in Information Technology (IT) in general and Information and Communication Technologies (ICTs) in particular. Individually and cumulatively, these developments have facilitated the evolution of new and innovative organisational forms (Matlay and Westhead, 2005). Initially, large organisations adopted 'e-Commerce' as a complementary and efficient strategy to increase their market share (Pinker *at al.*, 2002). For a while, specialist research in this area remained focused on e-Commerce and related activities in large organisations. Following the 'Dot-Com meltdown' of 2001, micro- and small 'e-Businesses' have emerged as important players in hypercompetitive and highly profitable 'e-Markets' (Matlay and Addis, 2003). The drive for sustainable competitive advantage represents an important strategic component of SMEs operating in an increasingly globalised European market (Barnes and Hunt, 2001). In terms of internationalisation strategies, those SMEs that have achieved successful expansion beyond their domestic markets are increasingly dependent on collaborative strategies that offer significant competitive synergies beyond their organisations' scope and scale (Matlay and Westhead, 2007).

There exists a growing body of specialist knowledge devoted to various aspects of small e-Businesses and their activities. Nevertheless, much of the current research and theory formation in this field remains dedicated to traditional economic forms, including their contribution and sustainability (Matlay, 2008). There is a marked paucity of research focusing specifically on e-Entrepreneurs in general and virtual teams of e-Entrepreneurs in particular. In this article we focus upon the collaborative and competitive strategies of small e-Businesses in Europe. In doing so, we first identify the definition and nature of E-Business in terms of the types of small e-Businesses developing in Europe. This then leads onto a reviewed of European contexts in e-Business and to e-Collaboration as a competitive strategy. Although internationalisation is naturally part of the process, the wider literature on internationalisation in small firms is not considered here, as the focus is on virtual team formation, development and operation across time and space, and the strategies embedded in this process.

We base our analysis upon 24 illustrative case studies of small e-Businesses that are lead and managed by e-Entrepreneurs who are members of a pan-European virtual team. The case studies were selected from a large database of small independent businesses operating in the European tourism industry. Collaborative and competitive strategies of e-Businesses are identified and related outcomes are analysed. A future research agenda is suggested and pertinent policy recommendations are offered.

E-Business: Definitions, Conceptual and Contextual Considerations

In recent years, e-Business has emerged as a strategic way to improve communication (via Intranets) within organisations as well as enhance collaboration (via Extranets) with key external stakeholders, such as customers, suppliers and government representatives (Byrd, 2001; Basu and Kumar, 2002; Meroño-Cerdan *et al.*, 2006). Importantly, however, the adoption of e-Business was perceived as a way to achieve sustainable competitive advantage in an increasingly globalised economy (Martin and Matlay, 2001; Martin and Matlay, 2003; Li *et al.*, 2004). There is considerable confusion of terms relating to doing business over the Internet (Melao, 2009). This is symptomatic of media coverage as well as academic and practitioner publications. Some authors use terms such as ‘e-Business’, ‘e-Commerce’ and ‘Internet Trading’ interchangeably while others tend to differentiate between specific aspect relating to each of these terms (Papazoglou and Ribbers, 2006; Laudon, and Traver, 2008).

Zwass (1996:3) pioneered a comprehensive e-Business definition, which incorporated “...the sharing of business information, maintaining business relationships and conducting business transaction by means of telecommunication networks”. Although this early definition underlies much of the early research in e-Business, it has not become standardised or been universally accepted. Bandyo (2002) points out that the concept of e-Business and e-Commerce were first mentioned in academic literature during the late 1980s in order to differentiate between traditional, paper based transactions and electronically conducted exchanges. In this context, Lucas (1996) argues that even the most basic e-Business models must rely exclusively on electronic transactions as opposed to traditional paper based exchanges. Timmers (2000) posits that a ‘true’ e-Business should encompass the whole array of electronic trading steps, such as online marketing, ordering and remittance facilities as well as complaints, returns and after sale support. For the purpose of this research study the authors have adopted Stephen Chen’s (2001:2) wider definition of e-Business which includes buying and selling on the internet as well as supporting/servicing customers and collaborating with various business partners.

In his overview of e-Business models, Matlay (2004) offers five basic types of electronic transactions:

1. *Business-to-Business (B2B)* - which involves the marketing and sales of products/services between businesses.
2. *Business-to-Customer (B2C)* - where businesses target products/services directly and exclusively at private customers.
3. *Business-to-Government (B2G)* - entails businesses delivering electronically a range of products/services to Government or government sponsored institutions

4. *Business-to-Portal (B2P)* - involves the marketing of products/services on an Internet based portal
5. *Business-to-Affiliate (B2A)* - includes the marketing of an affiliate's products/services on a commercial website

It should be noted, however, that in addition to these basic types of electronic transactions, there are a number of e-Business permutations and hybrid organisational forms that operate at various levels of Internet trading adoption, some not completing the e-Business adoption process and excluded from this category (see Martin and Matlay, 2003; Matlay and Addis, 2003). Importantly, however, these hybrid organisations carry out some aspects of their transactions over telecommunication networks. As such they do not conform to either the traditional paper based organisational form or the exclusively electronic transactions of the 'true' e-Business model. Nevertheless, they seem to operate successfully in almost every sector of the economies of both industrially developed and developing nations (Matlay, 2004).

E-Business: A European Perspective

The next section reviews European contexts given the pan-European nature of the members of the case study. In their seminal book, published to coincide with the 50th anniversary of the European Union (EU), Tilly *et al.*, (2007) provide a comprehensive overview of contemporary European socio-economic and political development since the end of the Second World War in 1945. They chart both the enlargement of EU membership from 6 founding members in 1957 to 27 in 2007 and the economic challenges faced by European countries in relation to competition, innovation, globalisation and structural changes within the continent itself as well as vis-à-vis other industrially developed and developing nations.

In terms of future economic development, the authors highlight that "... the Lisbon agenda of the EU which aims at making the EU the most competitive economy by 2010 has emphasized the goals of higher employment and higher growth in the Community, by placing emphasis on the role of information and communication technology [ICT] in a knowledge society" (Tilly *et al.*, 2007:3). This highlights the important role that ICT investment, innovation and e-Business adoption is playing in European structural adjustment at both macro- and micro-economic levels.

It is widely acknowledged, however, that ICT, innovation and e-Business adoption patterns vary considerably across EU countries (Welfens, 2007). Furthermore, ICT usage, innovation investment and e-Business adoption rates in Europe have not contributed to productivity improvements and economic growth at the high levels experienced in the US and elsewhere (McGuckin and Van Ark, 2005; Pols, 2007). Various solutions have been suggested to narrow the growing productivity gap between European countries and their international competitors (Van Ark, 2006; Inklaar *et al.*, 2005). At macro-economic level, there is a need for European countries to implement complementary structural policies, including labour market and educational reforms (Beugelsdijk and Eijffinger, 2003; Sapir, 2006; Artis and Nixon, 2007). At micro-economic level, most observers recommend an increase in ICT investment and the acceleration of e-Business adoption, in particular within the SME sector, which accounts for just over 99% of all economically active units in Europe (Peet *et al.*, 2002; Davis, 2003; Erumban and De Jong, 2006).

The drive for sustainable competitive advantage represents an important strategic component of SMEs operating in a largely globalised European market (Matlay and Westhead, 2005). In terms of internationalisation strategies, those SMEs that have achieved successful growth beyond their domestic markets have become increasingly dependent on a variety of collaborative strategies and approaches. Some collaborative partnerships, including ‘virtual teams’ of e-Entrepreneurs, offer significant competitive synergies that exceed their individual organisational scope and scale as well as technical, financial and human resource support (Matlay and Westhead, 2007). Importantly, however, recent research on value creation in e-Business adoption positioned European firms at a disadvantage as compared with those operating in the US (Amit and Zott, 2001; Schubert and Leimstoll, 2008). Similarly, the productivity gap between European e-Businesses and their counterparts in the US continues to widen despite growing investment in, and support for, ICT innovation in EU member countries (Peet *et al.*, 2002; Pols, 2007). Innovative organisational forms and related collaborative links amongst European businesses could offer a solution to both these problems and contribute significantly to national and regional development (Hamdouch, 2008).

E-Collaboration as a Competitive Strategy

According to Waesche (2003) the uneven development of internet entrepreneurship in some parts of Europe has been attributed to the absence of regional ‘entrepreneurial ecosystems’ that facilitate cooperation amongst entrepreneurs, venture capitalists, legal experts and other specialist support providers. In contrast, US enterprises appear to have benefited significantly from entrepreneurial ecosystems, such as those operating in the Silicon Valley region. In addition, collaborative links with academic, research and financial networks ensured rapid response and focused support for innovation opportunities that were identified and converted by enterprises operating within loosely defined entrepreneurial ecosystems (Kenney, 2003).

Typically, entrepreneurial teams provide support to, and benefit from, collaborative networks of geographically dispersed SMEs that share common goals (Matlay and Westhead, 2005). In this context, Hamdouch *et al.*, (2008:3) argue that “...innovation, notably technological (but also organizational and commercial) is now recognized as a collective process, and not just as a physical and social phenomenon stemming from the genius of an inquiring and ingenious mind”. In his review of successful innovation in European SMEs, Cobbenhagen (2000:34) compares and contrasts the needs and contribution of small and large firms and concludes that “...most of the growth in employment and added value can be attributed to SMEs ... and innovation is as important to them as to large firms”. Successful innovation that takes place in resource challenged SMEs can be facilitated and supported by a collective process of collaboration and learning that offsets the size-related scope and scale advantages of larger firms (see Matlay, 1998; Cumbers *et al.*, 2003). The innovative capacity of SMEs to adapt and react to rapidly changing market conditions has is recognised as their most important competitive advantage (Schubert and Leimstoll, 2008).

As an emergent organisational form, ‘virtual teams’ of e-Entrepreneurs illustrate the adaptive capacities of small e-Businesses to respond to the opportunities and challenges associated with the rapidly expanding global e-Economy (Matlay and

Westhead, 2005; 2007). These consist of geographically distributed entrepreneurs who interact through interdependent tasks and are led by common entrepreneurial interests and goals (Matlay, 2003a). The majority, if not all, of their interactions take place outside traditional face-to-face meetings, and are conducted via email, instant messaging, video- and mobile conferencing as well as other Internet-based interactive technologies (Matlay, 2003b).

Despite the growing importance of e-Businesses in Europe and the recent policy focus on e-Entrepreneurship, many of the conceptual and contextual aspects of virtual teams of e-Entrepreneurs are yet to be comprehensively researched. In this article we focus upon the collaborative and competitive strategies of 24 small e-Businesses in an illustrative virtual team in order to better understand both the advantages and disadvantages accruing to owner/managers and their employees.

Research Methodology

Research approach: sector, method and rationale

Tourism remains one of the fastest growing sectors in both developed and developing economies and is expected to continue to expand despite the unfavourable economic conditions affecting countries in the European region as well as other popular destinations across the world (WTO, 2007). Over the last two decades, research has struggled to keep up with ongoing development in the rapidly evolving tourism sector of the European economy. Furthermore, such research that exists, often suffers from a number of inherent shortcomings, which renders a large proportion of emergent results problematic in terms of generalisation across time and space (Matlay, 2003a).

In order to overcome methodological issues, some authors choose either quantitative or qualitative approaches, while others adopt a 'pragmatic' mix of research methods (Pansiri, 2005; 2006). Neither quantitative nor qualitative methods are deemed sufficient to ensure empirically rigorous results that hold across a wide variety of relevant contexts (Walle, 1997). The use of triangulation methods has met with some success in ensuring partial generalisation of tourism research results (Decrop, 1999). Nevertheless, a lack of standardised definitions and ongoing methodological problems tend to localise research results and represent an effective barrier to cross border generalisation of results (see Matlay, 2005).

Traditionally, the formation and development of Virtual Teams of e-Entrepreneurs in the European tourism sector is based upon emergent innovations in ICTs (Matlay and Westhead, 2005). It has also been established that the fundamental strategic perspective underlying strategic development of this type of team relates narrowly to entrepreneurial opportunity in its three main stages, i.e., recognition, discovery and creation (*cf.* Sarasvathy *et al.*, 2003). Niche market orientation can also play an important role in the formation and membership characteristics of virtual teams of e-Entrepreneurs. Typically, however, it is the conversion of entrepreneurial opportunities into commercial outputs that sustains and determines the long term success or failure of this emergent organisational form (Matlay and Westhead, 2007). In developing the meta-analysis of these 24 cases, innovation and the 3 –stage process will therefore be key themes.

Research method

For the purpose of this research, a longitudinal, a cross border comparative case study approach was chosen in order to provide an empirically rigorous analysis of collaborative and competitive strategies in a sample of European tourism businesses. The choice was influenced by the authors' determination to use an 'integrative' research method that goes beyond presenting data on case examples. It is meant to facilitate a critically and empirically rigorous overview of the impact that collaboration has on competitive strategy within the dynamics of virtual team management. According to Beeton (2005), case studies have been used extensively in tourism research and this method has been applied consistently across a wide range of relevant contexts. There is, however, a marked paucity of longitudinal studies in tourism related topics (Ritchie, 2005). The longitudinal dimension of this research study adds conceptual and contextual consistency to the qualitative depth of analysis and covers a relatively long (1992 to 2008) time span.

The emergent results provide an empirical and comparative perspective on the various influences that have impacted upon European tourism e-Businesses and the changes that affected their competitive strategies. In total, 24 small e-Businesses from a virtual team of e-Entrepreneurs were selected as illustrative case studies from a larger research population of firms operating in the European culinary tourism sub sector (GIR, 2008). An overview and analysis of the emergent results are provided in the next section as a meta-analysis. The individual cases are therefore not reported separately since the aim of the paper is to identify and set forward insights specifically on strategy in the eBusiness process.

Data Analysis and Discussion

The 'Culinary Tourism' virtual team investigated in this study provides a rich and valuable context for a comparative case study analysis of the collaborative and competitive strategies of 24 e-Entrepreneurs and their e-Businesses. As an emergent organisational form it is illustrative of the many virtual teams that operate successfully in the European culinary tourism industry. The results were mapped and key aspects emerged discussed here as:

1. *Virtual Team Formation, Membership and Development*
2. *Virtual Team Collaborative and Competitive Strategies*
3. *Virtual Team and e-Marketing Platforms*

1. *Virtual Team Formation, Membership and Development*

The origins of the Culinary Tourism Virtual Team (CTVT) can be traced to an exploratory meeting that involved five entrepreneurs and took place in March 1992 during a trade exhibition in Paris. The five entrepreneurs, who were fluent in English, owned and operated tourism businesses located in the UK, France, Austria, Hungary and Poland. During the previous two years, these entrepreneurs had exchanged telephone calls and emails that related to queries and requests raised by some of their regular customers. Over time, it became obvious that a growing number of requests for specific destinations were interrelated and followed a well defined pattern, involving cross national and international destinations. Invariably, requests for

multiple international destinations referred to historical, cultural and culinary aspects of specific European countries.

As demand for overseas destinations increased rapidly, the five entrepreneurs continued cooperating with each other on a 'good will' basis, which proved mutually beneficial in terms of turnover and profit margins. In the autumn of 1991, the French entrepreneur suggested a meeting to coincide with a prestigious tourism exhibition and offered to facilitate the trip as well as provide accommodation and transport to and from the venue. Following intense discussions and negotiations, it was agreed at the Paris meeting to formalise a 'virtual team arrangement' between the five entrepreneurs. The virtual team aimed to focus exclusively on cooperation related to business referrals and knowledge exchanges in the rapidly expanding European culinary tourism. Preliminary strategies for the growth of their virtual team and related businesses were also proposed at this meeting and various suggestions discussed in detail.

Between 1993-2003, CTVT grew and developed considerably to incorporate a core membership of 24 e-Entrepreneurs, representing most European countries. Since 2000, CTVT has been operating as a highly profitable virtual team with a stable membership and a reputation for high quality culinary tourism destination and related services. Interestingly, from conception, the use of ICTs and, at a later stage, the adoption of electronic business (e-Business) and mobile business (m-Business) became an important and profitable inter-team business strategy. Although the French e-Entrepreneur acts as an informal 'lead entrepreneur', all important strategic decisions in CTVT are made in common and subject to a majority agreement of at least two-thirds of core entrepreneurs.

Core membership comprises those e-Entrepreneurs who both consider themselves, and are acknowledged by other team members, to be significantly and permanently involved in the commercial activities of this virtual team. They derive all or a major part of their turnover from the cooperative activities of CTVT. In addition to the core membership, there are between 10 and 15 e-Entrepreneurs that represent the peripheral membership of the virtual team. These peripheral members are only involved on a temporary or ad hoc basis and derive a relatively small proportion of their turnover from activities that are directly attributable to CTVT. Importantly, peripheral members are not called upon to vote or make strategic contribution to any aspect of virtual team management or development. Nevertheless, they make a contribution to the delivery of 'overspill' and 'unforeseen' destinations and related services.

2. Virtual Team Strategic Convergence and Competitive Strategies

Most virtual team formation can be attributed to actual or perceived competitive advantages relating to collaborative niche market strategies. Previous research by Matlay and Westhead (2005, 2007) established that there is no prescribed or standard approach to cooperative or competitive strategies in virtual teams of e-Entrepreneurs. Preliminary results emerging from the longitudinal in-depth investigation of the 24 e-Businesses that constitute the core membership of the CTVT have highlighted a consistent and distinct convergence in their respective competitive strategies. The main aspects of strategic convergence amongst e-Business in CTVT can be usefully summarised as follows:

- a. Rapid adoption of ICTs and related e-Business processes, leading to early scope and scale advantages in targeted niche e-Markets
- b. Customisation, across the virtual team core membership, of standardised accounting, financial, marketing and after sale functions, leading to considerable cost reduction and effective resource utilisation.
- c. Mutual support in important operational aspects, which include technical, financial and human resource management, leading to considerable reduction of operative costs and increase in *per capita* profits.
- d. Adoption and the development of common marketing platforms and strategies, leading to significant growths in annual turnover rates.
- e. Development of pricing review mechanisms that resulted in standardisation and stabilisation benefits across the virtual team.
- f. Niche market expansion and consolidation at domestic levels, which facilitated overall internationalisation efforts in all e-Businesses within the team.
- g. Adoption of an inter-team transparency and support policy based upon mutual trust and ‘win-win’ conflict resolution.

In both absolute and relative terms, the collaborative strategies adopted by the 24 e-Businesses in the CTVT resulted in considerable and measurable competitive benefits. In absolute terms, three factors - overall cost reduction, effective resource utilisation and increase in turnover - delivered significantly higher profit rates as well as above average entrepreneurial returns. In addition, operational support and niche market expansion provided business stability and enhanced these e-Entrepreneurs confidence in their collaborative strategies.

In relative terms, mutually supporting collaborative activities within the CTVT resulted in significant human resource gains at e-Business level as well as enhanced managerial, technical and marketing skills for the e-Entrepreneur. In an economic environment dominated by micro- and small tourism businesses, which are on average four times less likely than larger organisations to engaged in collaborative activities (see Lockett and Brown, 2006:380), the virtual team setting provided significant short- as well as long-term competitive benefits. Furthermore, it appears that each e-Business achieved and maintained sustainable competitive advantage by collaborating with members of the virtual team while competing successfully against firms of all sizes within the same niche market.

3. Virtual Team and e-Marketing Platforms

Traditional European small firms are usually associated with either manual, or at best, semi-automated business and transaction processes that are comparatively slow and inefficient. Most e-Business platforms follow ‘evolutionary’ development patterns that often lag behind the ‘state of the art’ ICTs employed by their fast-growth competitors that operated in rapidly evolving global e-Markets. The longitudinal analysis of CTVT confirmed that manual and semi-automated business processes only prevailed for a short period amongst the five founding businesses in. By the end of 1995, these businesses were fully automated and intensely geared towards evolving

ICTs that went beyond email exchanges between founding entrepreneurs and amongst their employees. Nevertheless, these businesses continued to rely upon ‘word-of-mouth and paper based marketing strategies that only partially addressed their collaborative efforts. One year later, successful full adoption of e-Business platforms, including Electronic Data Interchange (EDI) technologies enabled these e-Entrepreneurs to pursue ‘revolutionary’ development patterns that significantly enhanced collaboration within the virtual team, facilitated membership expansion and the development of a common platform for the internationalisation of culinary destinations and related services.

All the important items on the original agenda at the basis of CTVT formation have been successfully completed by 1997 and core members proceeded to consolidate their achievements. Over the next ten year (1998 – 2007) period, core members worked collaboratively to integrate and perfect their business-to-business (B2B) transactions into a common e-Supply Chain Management system. In addition, they decided to consolidate their domestic and international Business-to-Customer (B2C) transactions into a common e-Marketing system. Both of these strategies met with considerable success. Unfortunately, however, efforts to integrate these collaborative operative systems within relevant administrative and after sale functions were met with technical, cultural and language barriers as well as considerable staff resistance to radical change, common to many small firms (Martin, 2005). After experimenting with various models and electronic platforms, the core e-Entrepreneurs decided to abandon this strategy and continue to rely on firm specific administrative and after sale support systems.

The failure to achieve total ‘e-Integration’ in CTVT underlines both the advantages and limitations attributable to collaborative models of competitive strategy, including virtual teams (Frohlich, 2007). Most collaborative models of entrepreneurial activity share a degree of scope, scale and cost advantage, including those clusters, networks and joint ventures. Higher collaborative intensity and levels of trust as encountered in virtual teams can therefore be expected to offer greater than average scope, scale and cost advantages. In addition, these can also provide better risk management and flexibility of delivery (Ball and Queyranne, 2006). This is particularly relevant to CTVT, where high intensity collaborative and integrative strategies resulted in greater than average entrepreneurial return as well as higher levels of business trust and interaction amongst the core membership.

There are however, other determinant factors that impact upon collaborative entrepreneurial models and limit outcomes in general and cost advantages in particular (Wu and Kleindorfer, 2005). The direct cost advantage accruable is mostly determined by the level of operational planning, staffing, maintenance and after sale support. In the case of CTVT, expected direct and indirect cost advantages related to high levels of strategic planning, collaboration and integration were reduced by factors that were largely beyond the e-Entrepreneurs’ control. A deliberate strategy to maintain only one core representative in each European country, however, had a *de facto* limiting effect upon the domestic scale advantage but contributed an equivalent or greater increase in the international exposure of relevant destinations. On balance, however, the advantages accruable to core CTVT members were perceived to significantly exceed the potential of ‘solo’ entrepreneurs operating in the same niche market.

Concluding remarks

The results emerging from the longitudinal study and meta-analysis of the Culinary Tourism Virtual Team (CTVT) cases provide empirically rigorous insights into the way in which strategy underpins virtual team formation, development and operation across time and space. The CTVT was initially formed to promote and support cooperation between growth oriented e-Entrepreneurs operating in the rapidly expanding European culinary tourism sector. Since its inception in 1992, this virtual team has grown to incorporate 24 core e-Entrepreneurs and 15 peripheral members. In terms of e-Market growth and penetration, it is currently represented in most European countries. Collaborative strategies adopted by these e-Entrepreneurs have resulted in the rapid adoption of ICTs and e-Business processes, the standardisation of accounting, financial, marketing and after sale functions, continuous support in technical, financial and human resource management and the development of competitive e-Marketing platforms and strategies.

Members of CTVT have achieved early successes in niche market expansion and consolidation in domestic markets as well as overall internationalisation of their e-Businesses within the competitive European culinary tourism sector. Consistently higher *per capita* turnover and profit levels have been recorded in each of the e-Businesses in this virtual team. Higher profits are mostly the result of significant scope, scale and cost advantages that can be directly attributed to team wide collaborative strategies. Importantly, CTVT members claim that considerable advantages accrual to virtual team membership and that these far exceeded the growth potential of other entrepreneurs operating in this niche market.

More research is needed into the formation, development and business strategies adopted by e-Entrepreneurs who belong to virtual teams. Very little is known about financial and managerial issues, harvesting and exit strategies, family involvement and succession planning. There is a marked paucity of empirical studies on employment, reward, training and human resource development strategies adopted in virtual teams of e-Entrepreneurs. As this area of entrepreneurship falls outside 'mainstream' investigation, relevant research is restricted by a scarcity of dedicated resources.

We recommend that policy makers at national and European levels divert a proportion of designated research funding from 'traditional' entrepreneurship research to emergent organisational forms such as virtual businesses and teams of e-Entrepreneurs. This would facilitate a better understanding of e-Business formation and the development of e-Europe across the broad spectrum of those operating in eBusiness. It would also define and identify the role of collaborative and competitive Strategies in virtual teams of e-Entrepreneurs. By providing further pan-European perspectives it would also complement the US models often used to define these new forms of business – this might also be true for Australasia and other regions where virtual teams are emerging as a way to express entrepreneurship online to the significant benefit of the group of members.

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