The Co-Creation Paradigm: A Critical Review

Prerequisites for Managerial Enactment

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Abstract

Co-Creation is becoming increasingly entwined in business operations, and has gained greater attention in business discourse since Ramaswamy and Prahalad popularized the term and folded it as a business strategy in 2004. One of the latest and more rigorous contributions to the field concern Ramaswamy and Ozcan (2014) who propose a framework for a firm to transform its business ecosystem into what they call the Co-Creation Paradigm. This paper is a critical reflection on the framework, exploring its core prerequisites for implementation and how it can be applied to practice. More specifically, the paper explores co-creation in a New Product Development setting to further investigate the link between the firm and its external stakeholders.

The paper is an explorative study building on a qualitative research strategy. The study can be divided into two knowledge progression cycles. The first cycle contain a literature study of the framework coupled with input from interviews with managers. The latter part builds on a multiple case study design of two strategically selected cases building on interviews and document analysis.

In the first knowledge progression cycle, the framework was identified to lack a resource-based perspective from which a number of core prerequisites were derived. The most meaningful identified prerequisites for implementation were the existence of a strong corporate brand and capabilities for building and running platforms. From the second knowledge progression cycle, it was indicated that co-creation is enacted differently depending on typology of innovation and New Product Development business model and that the framework cannot be applied as a generic idea or approach.

The contribution of this thesis resides in a greater understanding of the framework and its meaning in practice, as well as an opening towards how co-creation in an NPD setting can either be strategically or operationally deployed.

Keywords: Co-Creation, NPD, Innovation, Capabilities
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Abbreviations

ICT Information Communication Technology
CITI Creativity, Intentionality, Transformativity, Integrativity
DART Dialogue, Access, Reflexivity and Transparency
GELI Generativity, Evolvability, Linkability, Inclusivity
NPD New Product Development
CRM Customer Relationship Management
I would like to direct my sheer gratefulness to my supervisor Karin Tollin, this thesis would not have been possible without her support and inspiration throughout the process. Also, a special thank you to Johan Börjesson, Christian Pedersen and Ole Kjerkegaard Nielsen for their interest in the topic and for taking their precious time to chat to me.
1. Introduction

Co-creation has to some extent become an integral phenomenon within both research literature and in practice. In practice, companies flaunt their co-creation initiatives, often in the shape of crowdsourcing (Brabham, 2008), user innovation (von Hippel, 2005) and open innovation (Chesbrough, 2003). The topic has been addressed in various research streams; strategy (Prahalad and Ramaswamy, 2000; 2004a), brand management (Schultz and Hatch, 2010), marketing (Lusch and Vargo, 2007), innovation management (Krishnan and Prahalad, 2008) and lately, in regards to organizational development (Ramaswamy and Gouillart, 2010; Ramaswamy and Ozcan, 2014). For organizational development, Ramaswamy with co-authors argue that companies that wants to sustain competitive advantage need to enter a new paradigm of how value is created.

With stance in the advancements in technology and increased interconnectedness, Ramaswamy and Ozcan (2014) argue extensively that the way firms conceive value will be centralized on the individual experience, and this is changing the fundamental way in which value is created. The Co-Creation Paradigm (Ramaswamy and Ozcan, 2014) depicts an increasingly networked society and a marketplace where all stakeholders demand to be actively involved in the creation of value. In the future, the only way to sustain competitive advantage is to centre all business activities on co-creative stakeholder experiences through the building of engagement platforms.

Although the framework offers several inspirational and thought-provoking ideas about how organizations can be built to innovate themselves and markets, on a closer look, it appears difficult to fully grasp. Co-creation, being defined as “... joint creation and evolution of value with stakeholding individuals, intensified and enacted through platforms of engagements, virtualized and emergent from ecosystems of capabilities, and actualized and embodied in domains of experiences, expanding wealth-welfare-wellbeing” (Ramaswamy and Ozcan, 2014, p. 14), is a uniform definition of what value co-creation in the co-creation paradigm is. However, how does this uniformity apply to reality?

This paper takes on a critical perspective of Ramaswamy and Ozcan’s (2014) Co-Creation Paradigm framework and aim to explore its meaning for managerial enactment in order to clarify the framework and provide a foundation to enact co-creation managerially.
1.1 Problem Formulation and Research Questions

How can the Co-Creation Paradigm be enacted from a managerial perspective?

1. Which are the core prerequisites for enacting the framework, and why?
2. Which are the capabilities and resources needed to implement the framework?
## 1.2 Structure

| 1. Introduction |  |
|-----------------|-----------------
| Motivation, purpose and research question and delimitations |  |

| 2. Methodology |  |
|----------------|-----------------
| Positioning within research philosophy and how this has affected the rest of the choices made in the progression of the study |  |

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</table>

| 3. Presentation and Analysis of the Co-Creation Paradigm |  |
|----------------------------------------------------------|-----------------
| 3.1 The Core Essence | Presentation and reflection on core concepts |
| 3.2 Theoretical Foundation | Identifying the theoretical foundations for better understanding: Strategy as Ecology, Network Theory and Open Innovation |
| 3.3 Managerial perspective | Identifying white fields of the framework based on literature reflection synthesized with input from interviews with managers |

| 4. Applying the Framework |  |
|----------------------------|-----------------
| This chapter presents a framework for exploring capabilities for co-creation in an NPD setting from a Resource-Based View |  |

| 5. Experiences From Practice |  |
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| 6. Discussion and Conclusion |  |
|-----------------------------|---------------------------------
| Discussion of findings from literature study and experiences from practice. A framework of how the Co-Creation Paradigm is enacted is presented |  |

| 7. Implications |  |
|-----------------|-----------------
| Theoretical Implications | Managerial Implications |

Table 1. Structure
2. Methodology

This chapter describes the methodological choices that guided the process of this paper. The conducted study can be viewed to contain two steps: 1) the exploration of the Co-Creation Paradigm and identification of areas for further enquiry, and 2) theory building in the areas of further enquiry. The sequential sections will cover the scientific paradigm from which this study is framed, the design and methods used for research, criteria used for case selection, a description of the analysis procedures and the limitations of the conducted research.

2.1 Research Philosophy

The research philosophy describes the researcher’s ontological and epistemological standpoints, which lays the foundation for the research approach and other methodological considerations (Saunders et al., 2009; Guba and Lincoln, 1994). This study is framed within the critical realist paradigm as described by Bhaskar (1989). In compliance with Bhaskar (1989), a reality is believed to exist independently of social beings’ knowledge of it, yet the social world is believed to contain unobservable phenomenon, which always are subject for interpretation. Thus, in contrast to the positivist paradigm which states that only observable phenomena can and should be studied (Bryman, 2012), it is here understood that unobservable phenomena can be studied and utilised for knowledge development (Hunt, 1991).

The study seeks to understand how the Co-Creation Paradigm can be enacted from a managerial point of view by understanding the subjective perception of managers. This makes the process of interpretation substantial for a plausible understanding of the reality. This paper acknowledges that the involved individuals’ socially constructed interpretations are shaped and influenced by broader hidden social structures, forces and processes (Burell and Morgan, 1979), which might constrain their view of reality (Bhaskar, 1989). Particularly for this thesis, such hidden factors are believed to be the managers earlier experiences and the context in which he or she find themselves in, i.e. the organization and the environment that has shaped the organization.

Because of interpretation being elemental for the research process, the presence of hermeneutics needs to be underlined. Hermeneutics is concerned with the understanding of the context in which a text was produced or an action performed by a social actor (Bryman, 2012, p. 560; 712). This study recognizes hermeneutics on two levels. The first level
concerns an understanding of the context from which Ramaswamy and Ozcan (2014) came to their conclusions and proposals in the Co-Creation Paradigm. The Co-Creation Paradigm is a framework that to a large extent is framed within the constructivist paradigm; value is believed to be phenomenological, i.e. value is determined only by the one receiving value. Moreover, value is believed to be dependent on the construction of relations and meanings, which the social being associates with other social beings, context and artifacts (Ramaswamy and Ozcan, 2014). The second level concerns the influence of the subjective perceptions of the researcher as responsible for the interpretation of collected data. Naturally, this will influence the findings and conclusions made in this research. Therefore, the positioning, background and interests of the researcher, and how this has influenced the research process, needs to be clarified. This is done in section 2.3 Qualitative Research Strategy.

By acknowledging a reality that exists outside human consciousness while at the same time believing that knowledge is socially constructed, critical realism compensate for the limitations of phenomenological ontologies that build on relativism to a certain degree, such as constructivism and critical theory (Guba and Lincoln, 1994; Tsouskas, 1989). The major reason for this is that realism assumes some degree of researcher objectivity through the triangulation of data (Perry, 1998). This stresses the importance of a multilevel analysis, which implies multi-methods. By acknowledging the many levels and dimensions of how the external reality can be perceived and understood, a degree of objectivism is assumed.

2.2 Inductive Research Approach

The research question aims to explore a matter that is currently unknown – the Co-Creation Paradigm framework is more of a framework proposal based on empirical evidence rather than an established model, and little is known about how NPD capabilities are leveraged upon in relation to co-creation practices. Therefore the approach toward the relationship between theory and research is considered to be inductive by nature. However, Perry (1998) as well as Miles and Huberman (1994) and other researchers (see Perry, 1998) concludes that most inductive studies are characterized by a close interplay with deductive research and that this process is inherent for theory advancement. The presence of earlier theory helps in framing the research (Miles and Huberman, 1994, p. 17) as well as provides evidence that an external reality outside the case exists (Perry, 1998; Parkhe, 1993).
For the purposes of clarifying the approach taken in this study, the research question and the purpose of the study is inherently inductive as the theoretical domain of the Co-Creation Paradigm is rather a paradigm proposal than established theory. The study aims to explore the framework by exploring it theoretically as well as practically (organizational prerequisites, conditions and other factors of value) simultaneously. Thus, existent theory has been used to frame findings along the way in the process. The intention, however, has been to generate theory. Hence, the research can be described as an iterative process between qualitative reflection on findings from careful analysis of the framework and empirical findings.

2.3 Research Design

The research design effectively outlines the underlying logic behind how the conducted study will answer the initial research questions (Bryman, 2012). The general research design of the conducted study is an exploratory study aiming to shed light to how the Co-Creation Paradigm framework can be enacted in practice. A justification for the chosen research design and its specific features is stated below.

2.3.1 Qualitative Exploration

The empirical inquiry of this study emerges from the initial research questions that shed light to how the Co-Creation Paradigm framework as posed by Ramaswamy and Ozcan (2014) can be understood and enacted in practice. The purpose of the study is concentrated to understanding a specific conceptualization in practice, rather than quantifying its occurrence. Because the purpose is to understand, the problem statement is redirected and developed several times throughout the process as new “lenses” are applied and new insights are introduced. This is a main characteristic of the research process of an exploratory research design (Saunders et al., 2012). Hence, the design of the inquiry is primarily characterized as exploratory. Exploratory research design is beneficially employed when the set of outcomes are unknown and the question is asked in a way that addresses “how” and “why” rather than “what” inquiries (Yin, 2003, p. 9).

2.3.2 Multiple Case Studies

Moreover, the latter part of the study leverage on a multiple case study design of illustrative characteristics. This is because case studies allow for the intense studying of complex subject matter of interest in its context (Baxter and Jack, 2008) without the influence of the researcher. This is not a feature of neither historical nor experimental designs as the latter focus on the extent to which the context can be manipulated and the former on historical
events (Bryman, 2012; Yin, 2003). Yet, it should be acknowledged that the study overlaps to some degree with the historical research design, as the context and the emergence of co-creation operations is viewed to be dependent on prior decisions and events in the organizations. However, as context needs to be considered as a crucial factor for the managerial enactment of engagement platforms, the case study approach is to prefer.

One of the strengths with case studies is that it allow for rich data in that several types of data collection tools can be used (Baxter and Jack, 2008: Perry, 1998). A variety of data contribute to the certainty in findings of qualitative studies, linking back to that the triangulation of data helps in asserting that the collected data is as close to the reality as possible. This also outlines the main motivation for why a multiple case study design is used. Multiple case studies allow for comparisons between cases and their specific settings and ensure reliability and robustness in the results (Baxter and Jack, 2008). It is essential to emphasize that the use of different cases aim to illuminate and illustrate the capabilities and resources needed to link NPD with co-creation. Thus, it is not the engagement platforms, the companies or the sector in which they are operating in that are of interest, but rather how co-creation as an occurrence is put in practice and acted upon. However, the organization as a means of describing the context is considered important for understanding prerequisites in capabilities and resources.

2.4 Qualitative Research Strategy
Within the belief that the objective reality only can be understood through exploring the subjective conceptions about it, qualitative data has been collected. Moreover, the strategy process has been inspired by action research, as knowledge has been created from iterations in cycles based on learning (Makhlan, Knox and Ryals, 2008). Two types of studies have been conducted, one literature study and one study with illustrative cases based on the findings made from the literature study and experienced challenges from interviewees. Thus, the Co-Creation Paradigm framework proposal has worked as an overarching structure throughout the paper. Below is an overview of the knowledge progression cycles.
2.4.1 Problem Formulation and Context

Whereas the focus of the initial research question more or less has remained the same, the direction has gone in several different ways throughout the process. The formulation of the theoretical research domain grew out from a project concerning a data processing platform at Sony Mobile. The idea then was to explore the Co-Creation Paradigm framework with focus on the building of engagement platforms in the single case of Sony Mobile. However, when reading up on the framework and iteratively trying to apply it to the observations I made at Sony Mobile, I discovered that the platform Sony was aiming to build, in combination with the organizational did not capture the framework entirely. Sony Mobile is known for their technical innovative advantage (Marketline, 2013) but is also a company built by engineers where the market-orientation is less acknowledged. Moreover, the company unexpectedly underwent major organizational changes during the time that caused some turbulence on the existence of the project and whether if the managers I was aiming to interview with would still be employed in the near future. Therefore, a new and broader direction was lined out focusing on the prerequisites for implementation of the framework.
2.4.2 Work-Cycle 1

This work-cycle has focused on 1) identifying and describing Ramaswamy and Ozcan’s (2014) understanding of the framework, and 2) identifying core themes and foundational theories underpinning the framework based on organizational learning being the very basis for the framework; and from this 3) identified perspectives and issues that are not raised by Ramaswamy and Ozcan (2014), mainly summarized in the resource-based view of the firm.

First, an overview of Ramaswamy and Ozcan’s (2014) framework and its positioning within co-creation literature were done using desktop research. Secondly, after in-depth reflection of the framework’s reference matter and cases (see Appendix 1 for overview), learning was concluded to be one of the core topics of the framework. Therefore, Bell, Withwell and Lukas’ (2002) schools of thoughts on learning within strategic management coupled with Tollin and Vej’s (2012) mindset model were applied to the framework. This provided clarity and depth in some of the underpinning themes and perspectives of the framework. The emphasis for this section has been placed on providing a deeper understanding of Ramaswamy and Ozcan’s worldview, and to apply a different lens on the framework to make it applicable for managers. A number of issues with the framework emerged from the analysis. These findings were also coupled with qualitative interviews made with managers that helped in understanding challenges and prerequisites for implementing the framework.

2.4.2.1 Collection of Data

Because the research topic aims to illuminate the prerequisites for managerial enactment of the Co-Creation Paradigm framework, primary data on managers’ perception of the framework and what challenges it brings were collected. Below is an overview of the techniques and procedures used.

Qualitative interviews

Qualitative interviews were conducted on the basis that this technique allows for flexibility and enables for the interviewer to get insights about how the interviewee perceives the reality (Bryman, 2012), which was important for understanding the challenges managers are facing with implementing a framework such as the Co-Creation Paradigm framework. The findings from these interviews gave the direction for work-cycle 2.
Method and Sampling

Two 1-hour in-depth interviews were conducted with managers from two companies with strong ties to technology-intense sectors. The first interview was with a Senior Business Development manager at Sony Mobile in the process of developing an engagement platform. This interview provided great insights toward what the actual challenges were with implementing the framework. The second interview was with an experienced manager employed within Accenture Technology Strategy, specializing on enterprise architecture and experience from building engagement platforms. This interview provided an external professional opinion about the framework.

<table>
<thead>
<tr>
<th>Manager</th>
<th>Company and Title</th>
<th>Place</th>
<th>Time and date</th>
<th>Transcription Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johan Börjesson</td>
<td>Sony Mobile Communications Senior Business Development Manager</td>
<td>Lund, Sweden</td>
<td>May 28, 2015 1 h</td>
<td>Appendix 2, Notes 5 pages (recording failure)</td>
</tr>
<tr>
<td>Christian Pedersen</td>
<td>Accenture Strategy Manager, Enterprise Architecture</td>
<td>Copenhagen, Denmark</td>
<td>Sept 04, 2015 55 min</td>
<td>Appendix 3, 13 pages</td>
</tr>
</tbody>
</table>

Table 2. Interviews with Managers

In total, ten different managers were contacted by email whereby five replied but did not have the authority or interest to partake. Börjesson was the manager who’s project I initially was going to explore, and as I was currently working at Sony Mobile, Börjesson was approached in person. The interview with Pedersen was arranged with the help from a contact at Accenture who matched me with Pedersen after providing a lengthy overview of the interests and intentions with the interview.

Procedure and Structure

After a meeting was set up, rigorous assemblage of background information on the company’s history, co-creation activities and approaches and the current situation of the company were conducted. All interviews were conducted face-to-face in respective manager’s office at a time decided on by the manager. Conducting interviews in a familiar place helps in making the interviewee comfortable with the situation and to speak their mind (Malhotra and Birks, 2007). The arrangement of face-to-face interviews is to prefer as meanings expressed with facial movements can be observed (Bryman, 2012), especially considering the exploratory nature of the interviews.
In the preparations for each of the interviews, a loose interview guide were constructed summarizing some of the core themes of interest for the interview (see Appendix 2 and Appendix 3), as well as some areas which the respective manager would be able to provide specific answers to based on their work role and the company. The themes were formulated in a few broad and open-ended questions in order to not steer the answer too much (Bryman and Bell, 2005) and a variation of Kvale’s (1996) nine different questions was used to take the interview forward. Before the interview, an image of the framework (see figure 2) was prepared and then explained and discussed during the interviews. For the interview with the manager at Accenture, an image of the suggested technical architecture of the framework was presented (see figure 4). The introduction to the framework, including exposure of the images, were in all of the cases done after the interviewee had answered questions regarding value creation and co-creation. This was done in order to understand the manager’s perceptions without influence from my research domain.

The interviews were recorded, whereby one was lost due to a technology failure (the interview with Börjesson). Luckily, because the booked meeting room had access to sophisticated media equipment on which images could be shown, I used my computer to take notes. The recording from the interview with Pedersen was transcribed into text (see Appendix 3). The transcribed text has allowed for more thorough examination of the interview (Bryman, 2012). The transcription and notes was then sent to the respective interviewee for confirmation and making sure so that no sensitive information was revealed, as this had been one of the conditions in the agreement on an interview.

Analysis of Data
The analysis of the interviews draws on search and code of the transcripts of in-depth interviews. The search and code technique has been meaningful for the finding of themes and patterns in the data (Bryman, 2012). Having adopted a critical realist perspective, it was important to couple the manager’s perspective with other sources of data in order to close the gap between the external reality and the conceptual reality (Perry, 1998). This helped in understanding the subjective perspective of the manager and potential reasons for why a manager perceived some things harder than other. For instance, Sony Mobile is in a very pressured situation financially, which constrains the financial resources available for the manager, which in turn affected why some things were perceived as more difficult than others. Moreover, the interviews contributed to understand the managerial challenges of
implementing the framework, and thus are to be found represented in section 3.3 Managerial Perspective.

2.4.3 Work-Cycle 2
The second part of the study (see the cases in section 5. Experiences from Practice) grew out from the first work-cycle as the resource-based perspective was identified as an important perspective on the framework. Moreover, NPD was selected as an interesting domain to explore further. In order to explore this, two illustrative cases of how capabilities and resources relate to the framework in an NPD setting were put together. The choice of case studies seemed beneficial as case studies allow for in-depth investigation of a specific phenomenon and rich information (Baxter and Jones, 2008) as well as a variety of data collection tools.

2.4.3.1 Selection of Cases
The case companies were purposively selected (Patton, 1990) on the basis that they would illustrate the area of interest from two widely different perspectives. To ensure that the sampled cases would contribute to the overall research question within the limits of accessible resources, a few selection criteria was formulated:

- The company needs to either actively or inactively work with co-creation with its networks and stakeholders. This presumes that the company deploys co-creation in a similar way as depicted by Ramaswamy and Ozcan (2014), although they might not communicate it in the same way as depicted by Ramaswamy and Ozcan (2014).
- The company needs to be representative for their industry as they are going to be used as generic illustrations.
- None of the case companies can operate within the same sector and will thus be characterized by significantly different types of organizational networks, relationships with stakeholders and the public and private sector.
- The companies need to work with NPD in significantly different ways.
- There has to be a sufficient access to a variety of sources to ensure information richness in the case.

The selected companies came to be Novo Nordisk and Microsoft’s Xbox. By looking at organizations in different sectors, different business models, core competencies and
capabilities, a number of different perspectives on marketing capabilities’ role in co-creation could be attained which is fortunate for analytical and generic purposes (Perry, 1998). Novo Nordisk is a pharmaceutical company, and Microsoft is a software solutions company, making them interesting to compare for similarities and differences. Both of the companies showed to have available information about their co-creation and NPD activities. The number of cases was determined by the information richness supplied within each case in order to ensure the validity and meaningfulness of the study (Patton, 1990, p. 185).

2.4.3.1 Collection of Data
The research topic aims to illuminate the managerial processes, skills and resources concerned with NPD and co-creation processes. Below is an overview of the techniques and procedures used.

Qualitative Interview(s)
For the case of Novo Nordisk, an interview was conducted in order to get insight into how the R&D intense company posit themselves within co-creation and NPD. Also a conversation with an employee working with quality assurance of drugs after market launch were held in order to better understand the NPD process in pharmaceutical settings. Moreover, conversations with two healthcare professional were held in order to gain insight into how the NPD process works in the testing stage.

Documents
The case studies are to a large extent built on publicly made information and secondary data documents about the companies, their engagement platforms and co-creation processes were gathered. The process of document search has been in accordance with Bryman’s notion of it as a “frustrating and highly protracted process” (2012, p. 543). The choice of using several types of documents is beneficial for single-observers as it allows for cross-checking of data (Yin, 2003). Below is an overview of the main data sources for the cases, though multiple documents came across form desktop research.
<table>
<thead>
<tr>
<th>Main Data</th>
<th>Main Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry Trends and Developments</strong></td>
<td>Marketline</td>
</tr>
<tr>
<td><strong>Company History</strong></td>
<td>Marketline, Company website</td>
</tr>
<tr>
<td><strong>NPD related</strong></td>
<td>Jeppesen (2004), Developer community websites</td>
</tr>
<tr>
<td><strong>Insights about Co-Creation</strong></td>
<td>de Almeida et al (2010), Jeppesen (2004), Developer community websites</td>
</tr>
</tbody>
</table>

Table 3. Assembled data for Video Game Company

**Procedures**
After the case screening was done (3.2.3.1 Selection of Cases), the search for information began. Documents were identified via desktop search building on the knowledge that was attained about Microsoft and Novo Nordisk’s co-creation and NPD processes from the screening process. Information was collected from observations on Xbox developer communities and from secondary data sources such as newspapers, case studies and academic productions. Xbox is a case that has been explored in co-creation and NPD settings before, facilitating a viable understanding of the company. For Novo Nordisk, data and documents were acquired from their website (case studies and annual reports), external case studies and news reports. Having adopted a hermeneutic stance within the critical realist paradigm, the understanding of observations were interpreted on the basis of the background knowledge attained from the screening process and continuously throughout the process. This procedure is similar to that of Foster (Bryman, 2012, pp. 560-561). Findings from observations were cross-checked with other sources and observations as far as possible in order to ensure credibility.

After information was assembled, Ole Kjerkegaard Nielsen, Director of TPL & Value, Stakeholder Engagement within Corporate Sustainability, was contacted for an interview. Kjerkegaard Nielsen was approached via email after coming across his name on Novo Nordisk’s Blueprint for Change cases concerning co-creation. Kjerkegaard Nielsen’s input was analysed using search and coding and then synthesized with the assembled secondary data (see Appendix 4). The recording did not pick up Kjerkegaard Nielsen’s voice properly in some sequences. After having several native Danes listening to the tape (as the interview was conducted in Swedish/Danish) some sequences were still missing. However the core essence is still believed to be clear.
Also, two healthcare professionals working in an environment where clinical tests on patients are performed were consulted to explain a little bit more about the processes around it. Another employee at Novo Nordisk involved in the process of documenting drugs after market launch were approached to gain better insight on how the processes work on a daily basis.

2.5 Research Evaluation Criteria

Adopting a qualitative research strategy combined with an exploratory research design, poses several challenges toward the validity and reliability of the study. It has been a priority to always triangulate data and seek alternative validation for findings, both on my own reflection on the framework, from the interviews with managers and other people related to the situations, from the documents used and from reviews by peers. The selected cases are believed to be generic and illustrative for their sector. The combination of this would suggest a strong validity (Bryman, 2012, p. 390; Perry, 1998). As always with case studies and smaller samples, the external validity would need to be addressed by further research focused on generalizing the results (suggestively a quantitative strategy). However, the main purpose of this study is the quality of the generated theoretical arguments and insights concerning the managerial implementation of co-creation practices. Thus, the external validity is not considered as important as the analytic generalization (Yin, 2003). The reliability of the conducted study would be up to the external examiner to decide upon (Yin, 2003). Focus has been on providing a “chain of evidence”, i.e. present the logic behind the findings and framework construction.

2.6 Conclusion

This chapter has lined out this paper’s stance in the scientific philosophical domain, which has provided a foundation for the progress of the study. Having adopted a critical realist perspective on social entities, the external reality and knowledge generation as well as having established a hermeneutic standpoint, the study draws on multiple data sources collected with
qualitative means. The study has been evaluated after its validity and reliability where research focused on generalizing the findings has been identified as something that would have been beneficial for the study.

3. Presentation and Analysis of the Co-Creation Paradigm

The following sections aim to explain and explore the Co-Creation Paradigm Framework and its major constructs as proposed by Ramaswamy and Ozcan (2014). The first bundle of sections, aims to describe the different elements of the framework and reflect on the wider meaning of them in a practical context. Firstly, a historical review of the framework’s evolution will be presented. Secondly, an introduction to the framework will be provided along with clarifications of important concepts, such as experiential value creation, that will help the understanding of the different elements in the following sections. Thirdly, a deep-dive in each of the major constructs will follow, handling the engagement platform, the experience domain, the ecosystems of capabilities and the strategic architecture. The second bundle of sections goes beyond the actual framework and aim to explore some of its more prominent theoretical foundations in order to provide a greater understanding of the framework. These sections will focus on strategy as ecology, network theory and open innovation. The third bundle of sections takes on a critical perspective on Ramaswamy and Ozcan’s framework proposal, mainly taking on a managerial perspective on the practical implementation of the framework.

3.1 The Evolution of the Co-Creation Paradigm Framework

The Co-Creation Paradigm framework as presented by Ramaswamy and Ozcan (2014) builds to a large extent on the previous work of Ramaswamy and co-authors. Building on Prahalad and Hamel’s (1990) work on core competencies, Prahalad and Ramaswamy (2000) proposed that customer’s willingness to participate in the creation of products and services is a source of competence for the firm that, if used wisely, represents an avenue to create competitive advantage. In line with this proposition, two articles followed highlighting the consumers and stakeholders as valuable collaborators of value offerings in the value chain (Prahalad and Ramaswamy, 2002) and using the competence from costumer and consumer communities for experience innovation (Prahalad and Ramaswamy, 2003). These article lead up to The Future of Competition, Co-Creating Unique Value with Customers, where Prahalad and Ramaswamy (2004), proposed, and popularized, value co-creation as a business strategy. This contribution builds on what Prahalad and Ramaswamy (2004) regard as observations of
changes in the customer-firm relationship. The customer’s role in the value chain is argued to have changed as access to information and enabled networking between stakeholders has given the consumer increased bargaining power in the value creation process and consumers now demand to engage in the process to a larger extent. This is a returning perception of market dynamics in Ramaswamy’s sequential work (see Ramaswamy and Gouillart, 2010; Ramaswamy and Ozcan, 2014).

The essence of this acknowledgement is important as it rethinks the role of the consumer in the business ecosystem. Instead of being a passive recipient of value, the consumer is the one determining the value of the company’s offering and that the value creation is a process that goes beyond the purchase point. This acknowledgement is now one of the most dominant ideas on value within marketing (Lusch and Vargo, 2007). On the other hand, the perspective provided by Ramaswamy and Ozcan (2014) about consumer being active partaker in the value creation process, fails to acknowledge that consumer value most probably always have been determined by the beneficiary and created in processes beyond the point of purchase. Hence, it is not because of an increasingly networked world and the wider adoption of Information Communication Technologies (ICT) that consumers have started to engage in value creation processes. For instance, driving and maintaining a car and partaking in car parades and similar types of interest are things that consumers have been engaging with for a long time. Rather, an increasingly networked world has provided a communication link that made companies (and by all means, marketing researchers) aware of the consumers’ engagement in value creation processes beyond the purchase point.

In 2010, Ramaswamy and Gouillart (2010) proposed that successful enterprises leverage on co-creation platforms of engagement to intensify and endorse the joint value creation of stakeholding individuals in a pursuit of forming managerial principles for “engaging people to create valuable experiences together while enhancing network economics” (Leavy, 2013, p. 28). From Ramaswamy and Gouillarts (2010) findings as well as many of Ramaswamy’s earlier case studies, Ramaswamy and Ozcan (2014) proposed the Co-Creation Paradigm (also see figure 2). The Co-Creation Paradigm is a holistic framework that takes a system perspective on building of a company that leverages on value co-creation as a strategy. The main proposition made by Ramaswamy and Ozcan (2014) is that co-creative companies are built on multiple engagement platforms that enact value creation experiences. It is from this point where this study departs.
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Year</th>
<th>Title</th>
<th>Main contribution to the Co-Creation Paradigm Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prahalad &amp; Hamel</td>
<td>1990</td>
<td>The Core Competence of the Company</td>
<td>Collective learning in the organization create systemic advantages that are hard to copy</td>
</tr>
<tr>
<td>Prahalad &amp; Hamel</td>
<td>1994</td>
<td>Competing for the Future</td>
<td>Industry foresight to innovate markets and rewrite rules of competition</td>
</tr>
<tr>
<td>Prahalad &amp; Ramaswamy</td>
<td>2000</td>
<td>Co-opting Customer Competence</td>
<td>Customers and consumer communities as a source of competence for the company</td>
</tr>
<tr>
<td>Prahalad &amp; Ramaswamy</td>
<td>2002</td>
<td>The Co-Creation Connection</td>
<td>Seeing customers and other stakeholders as active collaborators in the creation of value</td>
</tr>
<tr>
<td>Prahalad &amp; Ramaswamy</td>
<td>2003</td>
<td>The New Frontier of Experience Innovation</td>
<td>The idea of “competence” applied to innovating “experiences” and not only core products</td>
</tr>
<tr>
<td>Prahalad &amp; Ramaswamy</td>
<td>2004</td>
<td>The Future of Competition</td>
<td>Remolding conventional assumptions about the customer-firm relationship and a managerial framework for configuring co-creation: DART (Dialogue, Access, Reflexivity and Transparency)</td>
</tr>
<tr>
<td>Ramaswamy &amp; Gouillart</td>
<td>2010</td>
<td>The Power of Co-Creation</td>
<td>Co-creative companies build platforms of engagement and enhance network economics</td>
</tr>
<tr>
<td>Ramaswamy &amp; Ozcan</td>
<td>2014</td>
<td>The Co-Creation Paradigm</td>
<td>Transformational framework for architecting co-creative enterprises</td>
</tr>
</tbody>
</table>

Table 5. Selected contributions that have guided the evolution of the Co-Creation Paradigm Framework (Ramaswamy and Gouillart, 2010; Leavy, 2013; Ramaswamy and Ozcan, 2014).

3.2 The Co-Creation Paradigm Framework

The Co-Creation Paradigm framework is a transformational framework aiming to provide guidance in how companies can leverage on value co-creation as a business strategy via the building of engagement platforms. Thus, it is a framework constructed to induce organizational change. Co-Creation in Ramaswamy and Ozcan’s (2014) view is an ever-evolving process of *joint agential creation* between the company and its stakeholders (see figure 2) where value is realized in individual human experiences enabled by engagement platforms.
Figure 2. The Co-creation Paradigm framework, adopted from The Co-Creation Paradigm (Ramaswamy and Ozcan, 2014, p. 2)

As evident, central to value co-creation in the Co-Creation Paradigm framework is that co-creative companies are built on a nexus of engagement platforms. A platform of engagement can be physical, such as a store, public meeting place, or virtual, for instance a website (Ramaswamy, 2009) and is what enables interactions, that in turn generate value-creating experiences. The engagement platforms tie together, and to a large extent lie embedded in, the two other major elements of the enterprise and its ecosystem; the experience domain and the capability ecosystem, which to some extent also are embedded in each other. Moreover, the strategic architecture of the multiple engagement platforms is described to be essential for the construction of a successful co-creative company. Ramaswamy and Ozcan (2014) describe the strategic architecture as the frame, or structure, that enables the company to orchestrate the engagement platforms.

The following sections aims to outline and develop on the meaning of the larger elements (engagement platforms, experience domain, capability ecosystem) in the co-creation paradigm framework, as well as their relation to one another. Case examples as provided by Ramaswamy and Ozcan will be brought up, and also supplemented with other cases and
thoughts in order to bring in other perspectives on the framework. Moreover, as value creation is one of the core constructs in the Co-Creation Paradigm and is important for the understanding of the function of an engagement platform, an exploration of Ramaswamy and Ozcan’s view on value and value creation and how it compares to other ideas about value creation, will first follow.

3.2.1 Definition of Value and Value Creation

Value co-creation is one of the most central concepts in the Co-Creation Paradigm. Hence, exploring the concepts of value, value creation and value co-creation becomes inevitable for the understanding of the framework. The conceptualization of value creation is not only important for the Co-Creation Paradigm view – it is also a core construct in most business-related disciplines and can be described as the main purpose of most organizational activities. Nevertheless, value and value creation in strategy and marketing have been treated very differently (Sánches-Fernández and Iniesta-Bonillo, 2007; Khalifa, 2004) depending on the definition and existing paradigm (Lusch and Vargo, 2004). Thus, before embarking into Ramaswamy and Ozcan’s (2014) definition of value co-creation, it is motivated to map out some of the most prominent perspectives on value and value creation as this will help in positioning Ramaswamy and Ozcan’s (2014) take on the subject. Accordingly, this section aims to pin out and reflect on different perspectives on value and co-creation as well as to explore the working definition of co-creation used in the Co-Creation Paradigm. Thus, a review of and reflection on different ideas of value, the value creation process and value co-creation as well as an exploration of Ramaswamy and Ozcan’s (2014) definition and positioning compared to other perspectives.

A general consensus is that value within marketing is two-fold; the consumer’s perceived value and the firm’s value of the consumer (Smith and Colgate, 2007; Grönroos, 2011; Gupta and Lehmann, 2003), which is conveyed as a financial value that can be reinvested in the organization and as enhanced knowledge about the processes which will lead to efficiencies (Morgan, 2012). A firm’s value can originate from the involvement in product development processes which reduces risk and decrease development costs (Ramaswamy and Gouillart, 2010; Hoyer, 2010) from building a user base and by doing so increasing the stock value of the company (this is a common occurrence within the venture capital-funded businesses) (Gupta and Mela 2008), or just conventional sales, to name a few. Whereas firm value usually is depicted in some kind of short- or long term financial benefit, the
conceptualizations of consumer value are diverse and the notion of consumer value has been described as elusive (Woodall, 2003; Grönroos, 2011). Consumer value has been depicted (see Grönroos, 2011; Sánchez-Fernández and Iniesta-Bonillo, 2007) both in terms of a more economically oriented and rational cost/benefit or sacrifice/win tradeoffs, means-ends models where consumers acquire products or services to meet personal values and hedonic values related to consumption. The latter one defines consumer value as an “interactive relativistic preference experience” (Holbrook, 2002, p. 5), meaning that experiences arise from interaction with another object (for instance a product) and is individual, personal and contextual and is mostly related to hedonic value outcomes (Holbrook, 1999).

In the Co-Creation Paradigm framework, value is described as subjective and to vary as “…a function of individuated experiences of co-created outcomes” (Ramaswamy and Ozcan, 2014, p. 16) as well as to be dependent on the meanings, involvements, contexts and events of the individual’s situation. The outcome of value can however have utilitarian or hedonic characteristics, be a cost/benefit tradeoff, and/or be means/ends motivated (Leavy, 2013). Whereas value is viewed to come in many shapes, Ramaswamy and Ozcan’s (2014) definition have a lot in common with Holbrook’s (1999) definition of value as both view interactions as the locus of value. The notion of “interactions” refers to the array of consumption and communication processes a person has with an engagement platform. Yet, Holbrook (1996; 2002) focuses exclusively on consumer value whereas Ramaswamy and Ozcan (2014) extend their focus beyond consumer value to involve all types of stakeholders (customers, consumers, employees, suppliers, financiers, among others) as well as the networks in which the enterprise lies embedded. The reason for this is that Ramaswamy and Ozcan (2014) believe all stakeholders to demand involvement in influencing what creates value for them. In both of these definitions, the processes leading up to a value-creating experience are relative and dependent on multiple factors – the situation, the individual’s preferences in the moment and based on some kind of interaction with an object or other person. As the concept of experiences is one of the core pillars for understanding the Co-Creation Paradigm framework, it is also developed upon below.

Value co-creation sheds light to the creation of value beyond the conventional idea of value being created at the point of exchange. Whereas the notion of value co-creation is generally accepted, it is still an emerging research field (Hoyer et al., 2010). Etgar (2007) argues in line with Lusch and Vargo (2007) that co-creation of value is a process that takes place in the
consumption process. With regards to new product development, Hoyer et al (2010) define value co-creation as a collaborative activity where the customer actively contributes to the forming of a product offering. Prahalad and Ramaswamy (2004) take a holistic perspective on value co-creation drawing on consumer experiences that stretches throughout the whole value chain. Ramaswamy and Ozcan (2014) build on the same reasoning but takes value co-creation beyond the individual and firm level to a socio-economic level:

“Co-creation is joint creation and evolution of value with stakeholding individuals, intensified and enacted through platforms of engagements, virtualized and emergent from ecosystems of capabilities, and actualized and embodied in domains of experiences, expanding wealth-welfare-wellbeing”


Ramaswamy and Ozcan’s (2014) notion of “evolution of value”, “expanding wealth-welfare-wellbeing” and recognition of “ecosystems of capabilities” is what distinguish their definition of value co-creation from others. The essence of their definition is that co-creation of value is viewed to be the building of value creation systems together with individuals resulting in an orbit that continuously expand value creation. Ecosystems of capabilities refer to the wider context of networks and communities in which the enterprise lies embedded – in other words, society. The wider context is also where in experiences are actualized from individual’s interactions. Value co-creation in the Co-creation Paradigm is viewed as an evolutionary process where collaborative engagement in the wider networks and communities is refined to individual experiences via the engagement platform. Ultimately, Ramaswamy and Ozcan (2014) argue that expanding the wealth, welfare and the wellbeing of individual stakeholders feeds back into the ecosystems of capabilities, and creates value for the society in large. Thus, the Co-creation Paradigm framework regards the enterprise ecosystem as a self-innovating and living system that continuously co-creates value. Yet, the foundational premise in value creation lies in the interactional exchange between stakeholders and the firm, meaning that the experience created from the interactions is what creates the “actual” value outcome. The “actual” value outcome targets all types of stakeholders as well as the company.
3.2.2 Engagement Platforms

Platforms of engagements are where value creation activities between stakeholders and the firm are “enacted and intensified”. They are described to connect “...value creation opportunities with resources” (Ramaswamy and Ozcan, 2014, p. 32). This phrasing builds on Prahalad and Hamel’s (1994) ideas about strategy as a managerial process of envisioning the future and building the resources needed to do this rather than competing in the frame that has been set by the industry and fitting resources within these rules. “Value creation opportunities” in Ramaswamy and Ozcan (2014) refers to the plethora of experiences that can be created from an engagement platform. “Resources” refer to the competence encompassed among stakeholder communities and networks (Ramaswamy and Ozcan, 2013). In other words, an engagement platform is an enabler of interaction between the internal and external stakeholders and the company and the enterprise’s network resources. Thus, it is attributed with meaning only in connection with the greater context of the enterprise ecosystem (Ramaswamy and Ozcan, 2014), meaning that it has little value on its own. Consequently, the engagement platform is one of the prerequisites for value co-creation to take place in Ramaswamy and Ozcan’s (2014) view.

An engagement platform is defined as “...an assemblage of persons, processes, interfaces, and artifacts...” (Ramaswamy and Ozcan, 2014, p. 34) and can be both virtual and/or physical (Ramaswamy and Gouillart, 2010, p. 268-269). The definition and shape of the assemblage differs depending on type of engagement platform. For instance, in the example of Nike, the company’s various engagement platforms had multiple purposes; they can be a value offering in themselves, they can strengthen network resources, they can support the delivery of offerings, they can harness stakeholder’s ideas and insights, they can facilitate training and marketing and they involve other types of stakeholders than normally interacts with the company (Ramaswamy and Ozcan, 2014, p. 14). What they have in common though, is that they fulfill four conditions; stakeholder relations, decisions, ideation and offerings (Ramaswamy and Ozcan, 2014, p. 9). An engagement platform can take different forms depending the state of agency it aims to focus on. Thus, the relations, decisions, ideation and offerings that the engagement platform is thought to leverage on, partly frames the engagement platform.

For end-users, the constellation of the assemblage creates behavioural, emotional and cognitive attachments, so called systems of engagements, which makes up the experience
In other words, the assemblage is what in the moment “trigger” experiences. To exemplify, take the case of the Apple Store (Ramaswamy and Ozcan, 2014).

Artifacts in this case are things that consumers can interact with – iPad, iPhones, laptops, etcetera. Supplemented by Apple Store staff, potential customers are able to learn about the products and what they can do before purchasing. Ramaswamy and Ozcan (2014) put forward that the Apple Store has added features beyond the conventional store where the sales interaction is the focal point of the set up. Instead, focus on learning and experiencing is central.

Persons in the Apple Store engagement platform refer to the people who work for Apple with highlight on the Genius Bar. The Genius Bar is a customer service function that can be reached by phone, online or in store that allow customers to demonstrate their problem and get immediate help to solve the issue. Instead of receiving impersonalized help, Apple Store has added personal interaction and a character (a genius) to help out with issues.

Processes of engagement in the Apple Store relates to several different aspects of the store. For one, the flow and set up of the store adopts a more free-floating process than in a traditional shop. There are no clear check-in and check-out points per se, and the layout reminds of a museum with spacious surfaces and artifacts showcased in a similar way to that of art pieces.

Interfaces in the Apple Store case refers to the various spaces for interaction within the store. In the Apple Store case, the Genius Bar is one such interface. In this case also the artifacts, iPhones, iPads, etcetera, themselves constitute interfaces giving access to online interaction, entertainment, exploration among many other things (Ramaswamy and Ozcan, 2014, pp. 33-38). Ramaswamy and Ozcan (2014) put forward that the focal point of the shop is not the point of sale. Instead, the customer’s interaction processes with the assemblage is what drives sales through the experiences it creates for the individual.
Consequently, encouraging and providing incentive for individuals to interact with the assemblage becomes important. Ramaswamy and Ozcan (2014) put forward that the engagement design of the assemblage are crucial for this. The authors argue extensively that companies need to design their engagement platforms taking four dimensions into account: creativity, intentionality, transformativity and integrativity (Ramaswamy and Ozcan, 2014, p. 38). These principles represent general features that have to be included in the design of the platform, applied to all individuals that potentially will engage with the platform. The design principles will be further described below and their practical meaning interpreted as Ramaswamy and Ozcan (2014) only put forward one case exemplifying how Apple in their design of the Apple App Store engagement platform is making use of the engagement design principles (Ramaswamy and Ozcan, 2014, pp. 41-44). The Apple App Store case is used to exemplify Ramaswamy and Ozcan’s idea of the engagement design principles and then supplemented with complementary reflections. The purpose is to explore how the principles can be interpreted and operationalized in other settings than the one proposed by the authors.
Ramaswamy and Ozcan’s (2014) definition of creativity is to a large extent based on action. Co-creative engagement insinuates inductive and exploratory actions and thus, is crucial to the creation of novelty and differentiation (Ramaswamy and Ozcan, 2014, p. 38-39). The authors hold that access to tools for participating individuals to express creativity needs to be included in the design of the engagement platform. Thus, all stakeholders must be enabled to actively express their creativity and by doing so, in some sense contribute with input to the value proposition. To do this, there has to be some “tools” within the company that captures the stakeholders’ contribution so that it can be acted upon. In Ramaswamy and Ozcan’s (2014) example, the Apple App Store’s SDK is a tool designed for developers to express their creativity (p. 42). In this case, Ramaswamy and Ozcan (2014) depicts “tools” as a physical set of tools (incorporated in the SDK) that allow developers to contribute their creativity to the Apple app store. This interpretation of “tools” for expressing creativity is a very straight-forward interpretation of its meaning.

However, to put some perspective on what “tools” for expressing creativity might mean in a different setting, consider the case of the T-shirt company and artist community Threadless. Threadless are operating a web and crowdsourcing-based business model (Brabham, 2010). Crowdsourcing is when a company makes use of the participation of web users to create something or collectively solve a problem (Brabham, 2008). Threadless invite web users to partake in the design process of their T-shirts via a competition as well as to evaluate, or “vote” on other participant’s contribution. The highest rated T-shirts are then produced and sold and the creator of the winning design is rewarded with a cash prize and a gift voucher to the Threadless online store. Threadless could be argued to be a company that has built their whole business model and value proposition on creative engagement. Thus, “tools” for expressing creativity in this case takes on a broad interpretation, as it is not a tool as such, but rather a crucial built-in element of Threadless’ business model.

Whereas both the Threadless and Apple App Store example relies on technology to provide tools for creative expression (Apple’s SDK and Threadless web-based operations), it might be of interest to consider how the creativity engagement design principle could be operationalized in a setting where technology is not a prerequisite for the joint creation of value.
Ramaswamy and Ozcan (2014) describe the case of the Indian conglomerate ITC, which built several small engagement platforms to engage local farmers. The platform is partly technology-enabled, however the contact between the local farmers and ITC is conventional communication via one selected human representative. The representative is a local farmer trained by ITC and has to agree to a social contract where the representative agrees to spend part of the salary on community welfare (Ramaswamy and Ozcan, 2014, p. 91). The creative tool in this case is the social contract, which demands the representative’s action and contribution back to the natural community. This is a fairly different way of thinking of creative tools in comparison to the Apple App Store and Threadless cases as creative tools have been built into the service system or business logic in these. Even though the social contract fills an important function in the business logic for ITC, it is a somewhat more external feature of the platform as it initially only concerns one person’s engagement. Yet, the assumption is that it probably will have a positive long-term effect for engagement, as the community will grow from the representative’s contribution.

To sum up, the tools for expressing creativity will most probably look very different depending on the company’s core business and business model, which type of engagement platform and which actors it aims to engage, as well as the external setting and network resources the company have access to. Though, what is clear is that the “creative tools”, no matter physical such as in the Apple App Store case, or part of a structure such as in the Threadless case, or as a support function for community growth as in the ITC case, it aims to create incentive for the participant to engage as well as to gather the participants’ creativity as an informative input for value-generating prospects.

Intentionality as a design principle is about the purposiveness of the engagement design. Purposiveness entails and understanding of the individual’s perception of reality understood in relation to the bigger task, in relation to the group’s actions as well as in relation to the individual’s own participation (Ramaswamy and Ozcan, 2014, pp. 39-40). Thus, recognizing that each individual stakeholder has its own expectations and goals that he or she wishes to accomplish by interacting with the platform. Recalling the Apple App Store example, Ramaswamy and Ozcan (2014) propose that the ability for developers to simulate their apps in the SDK enables them to understand how users would experience the app and thereby aligning the developer’s intentions with the user experience. The authors also hold that the annual developer conference and the developer community are two ways for Apple to align
their intentions with the SDK with the developers’ experience. Thus, the engagement design principle of intentionality seems to be operationalized by providing channels for communication in order to align expectations as well as tools for testing, or quick prototyping for better alignment. In other words, reaching out to the meaningfulness of partaking and aligning expectations.

Ramaswamy and Ozcan (2014) put forward the transformativity engagement design principle as a crucial characteristic of a successful engagement design of the co-creation platform. The engagement design must enable transformation of the meaning of value and relationships between stakeholders into valuable outcomes (Ibid. p. 40-41). Ramaswamy and Ozcan (2014) describe the transformativity principle on a basic and a high level. The basic level is about “…enhancing risk-reward outcomes in existing value creation relationships” or “…in radically new co-creative design of business concepts or operating models…” (Ramaswamy and Ozcan, 2014, pp. 40-41). Ramaswamy and Ozcan (2014) put forward that Apple provide opportunities for app developers to receive feedback and ratings from users, which helps them to improve their apps. By doing this, Apple grow the value creation in existing relationships by enhancing the risk-reward relationship and creative capacity of app developers. More specifically and in terms of operationalization, the basic level of the transformativity engagement design principle can be interpreted to be about providing feedback channels that nurture incremental improvements as well as creating a structure where improvement is premiered and rewarded.

The higher level of transformativity is described as a process of “symbiotic becoming” between the enterprise and its stakeholders (Ramaswamy and Ozcan, 2014, p. 41). Thus, it sheds light to a more long-term perspective of the engagement. It is about the engagement design’s ability to connect the enterprise and stakeholders across several dimensions and in a timely manner so that the connections, in the long run, transforms the stakeholder relations, decisions, ideation and offerings, which is manifested in new affectivity (Ramaswamy and Ozcan, 2014). The case example describe how Apple allow their app developers to tap into other resources than the SDK only, such as Apple’s music inventory and ad network. This provides opportunities for app developers to develop on their businesses and create new types of experiences for the end-user. From the higher-level perspective, giving access to and link other resources and platforms in order to create new interactional space or types of relationships between the co-creating stakeholders and the company become crucial.
Lastly, the integrativity design principle is described to be a function of protocols. Protocols define the relationships between different networks of actors (both human and non-human) with the aim to make their actions to make sense together. This design principle draws attention to the integration of engagements with business processes and decision-making routines and activities (Ramaswamy and Ozcan, 2014). In the Apple App Store example provided by Ramaswamy and Ozcan (2014) the layers of technology behind the SDK and its compatibility with iOS is one expression of the integrativity engagement design principle. Thus, in this example integrativity refers to the software architecture that enables Apple App Store users (both artists and consumers) to use Apple App Store on their Apple devices.

The engagement design principles as identified by Ramaswamy and Ozcan (2014) effectively outline core areas that needs to be taken into account in the design of engagement platforms, yet several questions about the engagement platform arises. Firstly, Ramaswamy and Ozcan’s (2014) depiction of the engagement platform and the engagement design principles ultimately presumes stakeholders to be willing and able to take part in co-creation processes. This presumption may present a misleading conception of the reality of consumers’ resources, lifestyle and priorities. Perhaps not all consumers actually are interested or have the time to partake in the way suggested by Ramaswamy and Ozcan (2014). Secondly, attacking it from the point of view of Ramaswamy and Ozcan (2014), are there other elements of the engagement design except the proposed CITI principles that are crucial for intensifying engagement? Moreover, The Marketing Science Institution (2015) has listed customer engagement as a core research area for 2014-2016, suggesting that relatively little is known about the actual triggers for engagement. As Ramaswamy and Ozcan’s (2014) proposal on engagement design principles is based on their findings supported by numerous of philosophical contributions related to their identified areas, it is justified to consider other areas that could improve engagement.

The framework offers little clue about the operationalization – the “how” – of the principles outside the provided Apple App Store case. Each enterprise and engagement is argued to be its own specific case, and thus no direct guidelines can be made, and the design principles are indeed mere statements, or very broad guidelines for managers who wish to build a co-creation engagement platform. However, the ability of an organization to leverage and effectively execute on these principles must be assumed to require prior knowledge about
both external and internal aspects, about stakeholders, available technology among many other things. Hence, which are the organizational capabilities related to executing on engagement design principles and building engagement platforms? This is an issue that is not dealt with by Ramaswamy and Ozcan (2014).

To sum up, in the Co-Creation Paradigm framework, engagement platforms are made up of an assemblage package consisting of artifacts, persons, processes and interfaces. The individual’s interaction with these is what creates systems of engagements, which in turn contribute to the experience. The purpose of the engagement design principles, creativity, integrativity, transformativity and intentionality is to provide guidance for how to design for engagement and strengthen value creation. However, there is an inadequate understanding of the organizational prerequisites and ability to design engagement platforms.

3.2.3 The Experience Domain
Ramaswamy and Ozcan (2014) argue that value co-creation is enacted through the interactions enabled by engagement platforms, however embodied and actualized in individuated experiences – the experience domain. The experience domain can be seen as an aggregation of the individual involvements, events, contexts, and meanings, making up the experience. The actualized individual value depends on the configuration of these elements (Ibid. p. 53). In other words, whereas the engagement platform provide the interaction environments and aim to provide incitement for stakeholders to interact, the experience domain is concerned with the individual’s experience which, if positive, will create value. The parameters for measuring the outcome are the degree to which the experience is personalized, its variety, the quality and its novelty. The involvement, event, meaning and context are the dependent factors in the value creation process according to Ramaswamy and Ozcan’s (2014) view.

As previously mentioned, the firm via the design of interaction environments attempts to create valuable experiences for the individual (see section 3.1.4 Engagement Platform). Experiences are also individual and subjective. To bridge the gap between the offered interaction environment and the individual experience, Ramaswamy and Ozcan (2014) propose that there has to be certain means with which the individual can configure their own experience. The configuration of the involvement, events, personal meanings and context should be guided by the co-creation experience configuration principles DART (Dialogue,
Access, Reflexivity and Transparency), developed by Prahalad and Ramaswamy (2004, pp. 23-30). Originally, the DART principles have been described as the “key building blocks” of co-creation and the process through which value co-creation occurs (Prahalad and Ramaswamy, 2004, p. 23). In the Co-Creation Paradigm, the DART principles makes up a managerial framework for conceptualizing and designing engagement platforms to adopt a broader perspective on value creation and better take individual differences into account (which leads to greater actualized value) (Ramaswamy and Ozcan, 2014, pp. 55-56). Hence, the Co-Creation Paradigm framework extends the value co-creation process, however, it is still in the experience domain where value co-creation is actualized. To clarify, the DART model needs to be integrated with the engagement platform, however it focuses on the experience coming from the interaction as afforded by the engagement platform rather than the engagement per se.

The dialogue principle is about engaging co-creative participants in an active dialogue that is based on their own premises in order to learn along with the evolution of experiences and value (Ramaswamy and Ozcan, 2014). Hence, dialogue nurture shared learning between the partaker and the firm and its business networks. Prahalad and Ramaswamy (2004) hold that dialogue is about empathic understanding of the partaking co-creator’s experience. Hence, the understanding of social, cultural and emotional factors is important for successful dialogue. The dialogue principle is inherently connected to the engagement platform as it require a forum in which it can occur as well as explicit or implicit rules of engagement (Prahalad and Ramaswamy, 2004). Connected to the engagement platform as depicted by Ramaswamy and Ozcan (2014), the engagement platform can be interpreted to make up the forum and the engagement design to make up a framework for the “rules”.

The access principle is about providing access to information and tools to access other peers’ experiences. By doing so, the meaning of value for the beneficiary can be transformed (Prahlad and Ramaswamy, 2004; Ramaswamy and Ozcan, 2014). On the stakeholder side, access to tools, information and other stakeholders allow the stakeholder to configure his or her own experience (Ramaswamy and Ozcan, 2014, p. 56). From a business perspective, the importance of the access principle lies in that it naturally increases the number of experience interaction points, which in turn broadens the business opportunities for the firm (Prahalad and Ramaswamy, 2004, p. 31). Access can also reshape the meaning of value from possession or ownership to simply having access to certain information, services or products.
(Prahalad and Ramaswamy, 2004, pp. 25-26; Ramaswamy and Ozcan, 2014, p. 56). Hence, access can reformulate the way a business delivers value. In relation to the engagement platform, the access principle could be understood as a perpetuating characteristic of the engagement design. Hence the creative tools, the purposive design, the transformation of value and the outlined protocols between the different networks of co-creation partakers needs to support the access principle.

The reflexivity principle highlights the importance of enabling the actualized value, or outcomes, to be critically reflected on by the enterprise, the co-creating stakeholders and the engagement platform in itself. The reflections need to loop back into the engagement platform in order for the engagement platform and experiences to evolve with ongoing interactions (Ramaswamy and Ozcan, 2014). According to Ramaswamy and Ozcan (2014, p. 56) “…tools, information, insights, recommendations, meanings, lived experiences, and valuable creations of others” need to be provided to do this. Since value is temporary and an immediate outcome from the experience, the key reminder here is that the ability to reflect needs to have similar characteristics, hence a system that allows for this needs to be in place.

Lastly, transparency refers to the importance of making information visible for stakeholders as this will facilitate for dialogue, access and allowing stakeholders to make more informed decisions. Making information visible mainly refers to the information flow of events that underpin the interactions afforded by the assemblage system. Hence, it is about establishing information symmetry between the partaking networks, communities, stakeholders and enterprises. In Ramaswamy and Ozcan’s (2014) view, transparency in information about interactions is what can unleash new sources of value. Ramaswamy and Ozcan (2014) as well as Prahalad and Ramaswamy (2004) argues that transparency creates trust, which is important for making stakeholders willing to partake in co-creation. On the other hand, could not trust be a foundational premise for partaking from the very start? Ramaswamy and co-authors argue lightheartedly for that transparency in all cases leads to trust, a link that is not always as straightforward as depicted.

If transparency of interactions were to create trust, it would presumably require the events underlying the interactions to be aligned with what the stakeholder find acceptable and of value. For instance, information about what information about the partaker is collected, why prices are what they are, why the company is making certain decisions, need to align with the
interest of the stakeholder. Transparency of underlying event also means that the firm needs to trust their stakeholders to not utilize information for “strategic behavior” such as manipulating their participation in a manner that favors their own benefit. An issue that is not raised by Ramaswamy and Ozcan (2014) are the requirements this principle puts on the organization as such. For instance, the corporate brand could very well be an important aspect for the perception of transparency and a feeling of trust.

By examining Ramaswamy and Ozcan’s (2014) depiction of DART in the Co-Creation Paradigm and the original contribution by Ramaswamy and Prahalad (2004), the connection between the earlier mentioned engagement design principles (creativity, intentionality, transformativity and integrativity) and the DART model gets a little clearer. Ramaswamy and Ozcan (2014) hold that the engagement design principles need to coevolve with the configuration principles. Therefore, it seems adequate to understand the DART model as another feature of the infrastructure behind the engagement platform, yet these are concerned with the co-creative stakeholder’s own ability impact the experience in the moment so that greater value outcomes are achieved.

3.2.4 Capability Ecosystem

The capability ecosystem is defined as “...a meshwork of social, business civic, and natural communities, whose leveraging of capabilities virtualizing agential capacities in value creation” (Ibid. p. 83). “Capability” in the capability ecosystem is defined as “...the (affective) capacity to act and be acted upon in assemblages...” (Ramaswamy and Ozcan, 2014, p. 297). Thus, the capability ecosystem can be interpreted as the company networks’ pool of agential resources, which influence how the individual interacting with the interaction environment perceives it. Agential resources refer to the individuals in each community and their collective capacity to affect value creation. Important to point out in this regard, is that the communities is also where the individual value-creating experience is taking place. Thus, the capability ecosystems envelope the engagement platforms, but also entail the network resources which the engagement platform aims to connect in order to create value. In other words, the capability ecosystem is argued to be the initial source of value creation and emphasizes both the individual stakeholders within the networks and communities as well as the networks and communities as a structure.
The infrastructure, governance, sustainability and development are the domains of co-creative capacities, which needs to be simulated in the capability ecosystem. From a case study on the Indian conglomerate ITC, Ramaswamy and Ozcan (2014) identified four principles that has to be taken into consideration in order to virtualize these capacities: *generativity, evolvability, linkability and inclusivity* (GELI) (Ibid. pp. 82; 87-89). These principles describe the characteristics of the setup, or strategic architecture, of the different communities and features that have to be accounted for in order to draw on their capacity.

First, *generativity* is about the capability ecosystem’s ability to be repeated as well as recreated when internal and external conditions change in order to facilitate the generation of human experiences (Ramaswamy and Ozcan, 2014). Furthermore, Ramaswamy and Ozcan (2014) stress that the strategic architecture of engagement platforms, both on the technical, organizational as well as the social level, plays a vital role for the generativity of the capability ecosystem. The authors seem to think of the strategic architecture of engagement platforms as the framework or structure that in regards to the generativity principle enables the capability ecosystem to repeat itself or be rejuvenated during changing conditions. In other words, the way the company sets up to connect different communities to each other and the engagement platforms builds the foundation for the generativity principle.

In the example provided by Ramaswamy and Ozcan (2014), the generativity of the capability ecosystem when it comes to the technical architecture lies in that ICT has created a flexible integration within and between the different engagement platforms where new engagement platforms easily can be added onto the existing technical architecture and old ones can be configured when the conditions in the communities change. ICT is a company operating in the agricultural and food sector in India that saw great business potential in empowering rural farmers that often were cheated on by the existing system. The company started off by building engagement platforms called “e-choupals” that enabled interaction between local farmers and ICT via e-mail functions and educational material sent digitally over Internet. The e-choupal was complemented with another engagement platform which was more of a physical site where farmers could go and leave their grain. When ICT saw an opportunity to expand their business to distributing the grain as well, the company started to build additional engagement platforms serving new types of interactions.
Secondly, the *evolvability* principle as put forward by Ramaswamy and Ozcan (2014) is underpinned by theory on modular systems and emerging research fields within biology emphasizing the interconnection between the development of the smaller parts in the system as well as its relation to the system’s evolution in its whole. The evolvability of a capability ecosystem requires flexible features so that the capacities of individual stakeholders can be utilized in the moment as well as in future context as the nature of interactions and the ecosystem change. Thus, for a selected task, challenge or issue, the engagement platform needs to be able to provide a heterogeneous response adequate for each individual interacting via the engagement platform while simultaneously being sensitive to changes in interactions (Ibid. p. 89). Operationalized, this could mean that some intelligent features need to be built into the way the engagement platform interacts with stakeholders and communities, both on an immediate basis and in the long run.

Thirdly, the principle of *linkability* highlight the importance of creating new connections across engagement platforms in the enterprise and its network communities in order to create more value-creating opportunities (Ramaswamy and Ozcan, 2014). Ramaswamy and Ozcan (2014) put forward that a network only performs as good as its connection to other networks are, and for this, there has to be an alignment of goals both on the network and individual stakeholder level. Building on this, the linkability principle can be interpreted to not only be about the architecture, or pattern, on which networks are set up. It is also concerned with an understanding of what potential goals, preferences and interest, explicit or implicit, each stakeholder, community and network might have. In a way, this capability ecosystem building principle could be related to the integrativity engagement design principle which stresses the importance of understanding how each stakeholder relate to the task, the wider context and the group. However, the linkability principle is concerned with the network level rather than the individual.

Lastly, the *inclusivity* principle emphasizes the importance of democratizing participation for those affected by the business ecosystem so that every individual in the business ecosystem that have something to contribute with can, and are allowed, to do so on a completely voluntary basis (Ibid. p. 88). Furthermore, Ramaswamy and Ozcan (2014) put forward that the inclusivity principle also is about cherishing and preserving heterogeneity and diversity in expressions and opinions of all individual stakeholders within each community. It is
important to acknowledge that the expression of one individual might be different depending on timing and conditions.

To sum up, the core essence of the GELI principles is basically about nurturing and growing the communities in which the individual stakeholders exist and live their lives. By focusing on building these features into the architecting of communities and network structures, Ramaswamy and Ozcan (2014) hold that this will support the co-creation of experiences as it makes up the foundation for how the interaction environments comes together for the individual interacting and experiencing.

3.2.5 Strategic Architecture of Engagement Platforms

Ramaswamy and Ozcan (2014) identify the architecture of the multiple engagement platforms as one of the most crucial aspects for a successful co-creative company. In the Co-Creation Paradigm, enterprise architecture is defined as “...the structuring of relationships among its tangible and intangible resources and assets, as well as management systems, in a planned, principle-based manner” (Ramaswamy and Ozcan, 2014, p. 144). The strategic architecture, then, is about how the physical architecture of the engagement platforms generates new capabilities from the capacities leveraged by different networks and communities while it simultaneously accommodates and connects individuated experiences (Ramaswamy and Ozcan, 2014, p. 170). Thus, the meaning of the strategic architecture can be interpreted as the outcome of the physical architecture of the various engagement platforms making up an enterprise.

More specifically, the strategic architecture can be understood as the framework describing how the different engagement platforms are linked, or interrelate, to each other. For instance, Ramaswamy and Ozcan (2014) propose high-level blueprints that map out the design and redesign of engagement platforms and how they supplement each other. Thus, in the Co-Creation Paradigm, the strategic architecture can be argued to be referring to (as also implied by the notion of “strategic”) the overall strategic level of a company. In a sense, it appeals to the general business model of the company as it indirectly describes “the rationale of how an organization creates, delivers and captures value” (Osterwalder and Pigneur, 2010, p. 14) – the creation of a system that continuously renews itself and the value it creates. Yet, the exact operationalization of this rationale is described in diffuse terms. Ramaswamy and Ozcan (2014) divide the strategic architecture into three types of architectures, a social, an
organizational and a technical architecture which all needs to play together. These will be described next.

The social architecture of the co-creative enterprise recognizes heterogeneity of all engagement processes, internal as well as external from the enterprise (i.e. the external business networks and communities enveloping the firm). Yet, the firm is viewed to be the entity where the transformation to a co-creative business ecosystem starts. More specifically, the managerial mindset is viewed to be the most influential tool to do this (Ramaswamy and Ozcan, 2014, p. 178). Emphasis lies on that operational and managerial processes cannot be standardized due to heterogeneity in experiences, as well as interchangeable environment to correspond to. Standardization would stagnate the co-creation processes and limit the creation of individuated experiences (Ramaswamy and Ozcan, 2014, p. 178). However, Ramaswamy and Ozcan (2014) still hold that efficiency and accountability are important parameters for business performance, yet the framework offers little insight into how efficiency and accountability can be reframed and operationalized without any process standardization.

The organizational design is described in terms of the engagement design of assemblages which makes up different types of systems; rational decision-making systems, natural systems of social individuals and open systems assembling and linking activities and interactions between the internal and external environment (Ramaswamy and Ozcan, 2014, pp. 181-183). Hence, the organization in the Co-Creation Paradigm view is not only the enterprise in itself, but also the related networks and communities. Building on this, the organizational architecture is to a large extent concerned with the architecture of the capability ecosystem as it aims to shape the way networks relates to each other. The organization needs to be designed to enable the networks and social resources to be exploited and connected. Thus, the co-creative capabilities (see section 3.1.6 Capability Ecosystem) and their interplay with the DART experience configuration principles (see section 3.1.5 Experience Domain) and CITI engagement design principles (see section 3.1.5 Engagement Platforms) are important here. The organization as a system of assemblages need to be designed for efficiency and innovation (Ramaswamy and Ozcan, 2014, p. 183), for creative destruction meaning that it has to have the ability to renew itself (Ramaswamy and Ozcan, 2014, p. 184), enable feedback loops from the agency and interaction between social
individuals in the system (Ramaswamy and Ozcan, 2014, p. 184), and is viewed to enable the embodiment between the different assemblages (Ramaswamy and Ozcan, 2014).

Regarding the technical architecture, Information and Communication Technologies (ICT) comes into play. ICT is described to be the main enabler for co-creation between the firm and its stakeholders (Prahalad and Ramaswamy, 2004b). Ramaswamy and Ozcan (2014) re-emphasize technology as a core enabler of value co-creation as it facilitates engagement and agency via the assemblage of artifacts, persons, processes and interfaces. As stakeholders interact and create data with artifacts, technology enables the embodiment of artifacts. In order to leverage on IT-enabled assemblage systems, the authors present three characteristics of architectural IT capabilities; event-centric activation of interaction environment, dynamic process capabilities and collaboration capacity, which are further discussed below.

Firstly, the event-centric activation of interaction environments refers to how the technical architecture needs to be structured to enable experiences. The event-centric activation of interaction environments focuses on how different devices, applications and the “user interface” (here referring to any type of user interface, not necessarily user interface associated with website, mobile phones, etcetera) comes together to create an interaction environment (see section 3.2.2 engagement platform, figure 3) supportive of the individual experience. The design of the IT underlying the technical architecture needs to incorporate the DART experience configuration principles (see section 3.2.3 Experience Domain) and the engagement design of the assemblage package (see section 3.2.2 engagement platform).

Building on this, Ramaswamy and Ozcan (2014) propose a brief framework consisting of three layers for IT as an enabler of co-creation platforms: the device layer, the application layer and the interaction layer (see figure 4 for an overview).

Briefly, the device layer of this framework emphasizes a cross-device strategy that allows stakeholder to interact through any device (Ramaswamy and Ozcan, 2014, p. 153). In other words, the compliance with partner apps and third-party applications has to be accounted for in the device infrastructure of the assemblage system. It is also possible that the IT assemblage package needs to cover all types of devices. In today’s environment, where both laptops, tablets, smartphones and other devices, perhaps also the differences in usage between devices have to be accounted for when designing the assemblage system.
The application layer is described as the “...link to the enterprise-stakeholder value level” that enables the intended value outcomes to be actualized in individuated experiences (Ibid. p. 150). This layer is described to consist of five different event-centric enterprise capabilities; people and interaction profile, content and communication, analytics and knowledge management, workflow and simulation, and commerce and transaction system (see figure 4). The application layer can be interpreted as a two-way link that, on one hand, it helps creating and nurturing instant individuated value-generating experiences for customers and other stakeholder, and on the other hand, feeds back insights, knowledge and financial means to the company. In other words, the application layer is the link between the device layer and the interaction layer and thus, needs to support the interactions between different stakeholder and networks with event-centric information in order to create individuated experiences.

Lastly, the interaction layer is where the stakeholder environments of interactions in engagement platforms are created from constellations of interactions and resource networks of firms, partners and other stakeholders. (Ramaswamy and Ozcan, 2014, pp. 150-151). The interaction layer must be viewed from the perspective of all stakeholders. For instance, an engagement platform that aims to facilitate interaction between patients and doctors, needs to accommodate both the various types of patients that will interact with the platform as well as the various types of doctors that will interact with the platform.

**Figure 4.** IT as enabler of co-creation platforms, adopted from Ramaswamy and Ozcan (2014, p. 151).
Secondly, the IT assemblage system needs to leverage on dynamic process capabilities. As individuated experiences and value co-creation is something that happens “in the moment”, the processes underlying the resource network need to shift from standardization to the processes demanded for the instant individuated experience (Ibid. p. 153). It is unclear how Ramaswamy and Ozcan (2014) propose the dynamic capabilities of the IT assemblage system to be operationalized in more practical terms. The creation of an instant response loop as the one described here by Ramaswamy and Ozcan (2014), would require IT-based touchpoints to be built into the experience that report back in real-time. Focusing on customer experiences, this might be easier for online or mobile services as the collection of data is a natural product of the usage, e.g. from a web site, smartphone or CRM system. For companies operating services where online interaction is not a natural part of the experience, for instance a physical store, a restaurant, a grocery store, this might be much harder.

Thirdly, building collaboration capabilities across the extended business network is identified as an important aspect for leveraging on IT assemblage systems. Exactly what IT collaboration capabilities entails are not described, however from the cases used to make the point, real-time interaction, learning loops from collaboration, team-based IT capabilities, and co-shaping of interaction environments are highlighted (Ramaswamy and Ozcan, 2014). All of these topics are to a great extent concerned with learning and transformation of knowledge between individuals, teams and departments internally within the firm as well as externally in the extended business networks. Collaboration in Ramaswamy and Ozcan’s (2014) depiction require some kind of communication platform or model, usually based on ICT. Therefore, it seems sufficient to understand the IT collaboration capability as the firm’s ability to integrate ICT with collaboration incentives, select appropriate communication means as well as identify which individuals, groups, teams or networks that would prove meaningful to collaborate with.

The strategic architecture is described to be of great significance for successful enactment of the Co-Creation Paradigm framework as it is what enables value co-creation by combining the different elements of the value creation process. Building on this, Ramaswamy and Ozcan (2014) view the management of the strategic architecture as the source to competitive advantage. Meaning that, competitive advantage lies in the organization’s ability to understand the processes and relationships between different resources, assets, stakeholders, networks, communities, etcetera, needed to create superior experiences as well as orchestrate
and redirect these relationships and resources. This perspective appeals to overall enactment of the framework. Ramaswamy and Ozcan’s (2014) depiction of the social, organizational and technical architecture however, make inclinations to capabilities that are unique for the particular architectures. The social architecture is mainly concerned with the managerial mindset. The organizational architecture is concerned with topics such as resource reconfigurations and creative destruction (Schumpeter, 1950; Tripsas, 1997; Foster and Kaplan, 2011). The technical architecture addresses the role of IT as an enabler of co-creative processes and is also described as the “backbone” to all co-creative processes. Ramaswamy and Ozcan (2014) highlights event-centric activation of interaction environments capabilities, dynamic process capabilities, collaboration capabilities which all require knowledge around technology as well as its integration with business processes and human experiences. The direct link between the management of these architectures and competitive advantage is yet to be explored.

To sum up the core essence of the Co-Creation Paradigm framework, it is important for the understanding of the framework to think of it as description of the value co-creation process on both a long-term and short-term basis. It poses focus on value co-creation both as the instant value outcome from the experience, and as a long process of co-evolvement. The Co-Creation Paradigm framework depicts the different elements (experience domain, engagement platform and capability ecosystem) as separate but tied together by the strategic architecture. Whereas it is true that the elements represent different parts of the value creation process, in reality, these different elements are tightly interwoven with each other. This is important for understanding how the various principles, or sub-frameworks, related to the experience domain (the configuration principles DART), engagement platform (the engagement design principles CITI) and the capability ecosystem (co-creative capacities GELI), work together. Ramaswamy and Ozcan (2014) argue that the organization should be built, or organized with the stakeholder experience as the organizing factor. Considering this, my understanding is that the GELI capacities and CITI principles are there to support the DART framework. The DART framework is what ensures value co-creation on a short-term basis as well as that knowledge, understanding and insights from the experiences feeds back to the networks, communities and enterprise in shape of learning. This is done with help from the strategic architecture. By doing so, value co-creation on a long-term basis (the co-evolvement) is actualized.
3.3 Theoretical Foundations of the Co-Creation Paradigm

The Co-Creation Paradigm framework is built on case observations and supported by a mesh of theories spanning from computer science, philosophy, actor-network-theory to sociology, which results in an inherently complex framework proposal. The sequential sections aim to pin out the main theoretical foundations of the framework based on its orientation within firm theory. Because the managerial mindset and organizational learning is argued to be two of the underlying elements, Tollin and Vej’s (2012) mindset model (consisting of scope, processes and relations, capabilities and outcome) and Bell, Whitwell and Lukas’ (2002) categorization of the learning school within firm theory (i.e. the economic, the developmental, the process and the managerial learning school) have worked as two major sources of inspiration for the following conceptualization of the Co-Creation Paradigm framework. The aim is to provide a deeper understanding of the underpinning ideas of the framework.

Firstly, a clarification on why organizational learning and managerial mindset are two core topics that perpetuates the framework is provided. Secondly, the different learning schools (Bell et al. 2002) and Tollin and Vej’s (2012) mindset model introduced and conceptualized in relation to the Co-Creation Paradigm framework (Ramaswamy and Ozcan, 2014). Lastly, the process school of learning is argued to be the most dominant school in the Co-Creation Paradigm framework as it puts focus on learning as an evolutionary and socially constructed process and stemming from interactions between individuals. Three core themes follow the process school; strategy as ecology, network theory, open innovation. Based on careful analysis of Ramaswamy and Ozcan’s theory of co-creation from an organizational learning perspective, these themes will provide a new and essential understanding of the Co-Creation Paradigm framework.

![Diagram of Theory of the Firm]

Figure 5. Structure for Theoretical Foundation
Ramaswamy and Ozcan (2014) describe the Co-Creation Paradigm framework as the creation of a “…higher level orbit of value creation” (p. 281). The Co-Creation Paradigm framework views the enterprise as an ever-evolving system where learning is one of the core enablers for the system to function. The framework explicitly reconciles theories on learning on both individual and organizational level. Learning “…takes place in the process of interactions and from experience outcomes” (Ramaswamy and Ozcan, 2014, p. 78). Moreover, learning from experiences, insights and knowledge is what builds the strategic capital that is reinforced by the system (Ramaswamy and Ozcan, 2014, p. 12). The firm’s role is to build and structure engagement platforms that enable value co-creation with individuals and the networks and communities in which the individuals exist. Put differently, one of the firm’s core activities is to build learning loops. The feedback loop of experiential learning, insight and knowledge that is entailed by the process from interaction to value experience outcome is essential for creating “unique enterprise value” (Ramaswamy and Ozcan, 2014, p. 79). Thus, what essentially empower this higher-level orbit of value creation is learning. Furthermore, learning in the Co-Creation Paradigm is described to be about “…the nature, quality, and purposefulness of network interactions and recognizing individuation of co-creation experiences explicitly” (Ramaswamy and Ozcan, 2014, p. 160). Building on this, organizational learning is indeed one of the core elements of framework. Next, the role of managerial mindset and its relation to learning in the Co-Creation Paradigm is explained.

As the “paradigm” connotation might imply, the Co-Creation Paradigm is to a large extent implying a new type of thinking on value creation. Moreover, Ramaswamy and Ozcan (2014) stress that the adoption of an experience mindset is one of the most crucial tools for perpetuating the organization with value creation thinking as co-creation (Ramaswamy and Ozcan, 2014, p. 284). A managerial mindset defines how a manager senses the environment and acts upon it. These mental models form the dominant logic, which conceptualizes the business and the tools used to accomplish business goals and strategy (Prahalad and Bettis, 1986). A dominant logic can be seen as a property of the organization and is something that emerges from the individual cognitive processes within the organization (Esterby-Smith and Lyles, 2003). Thus, the managerial mindset can be argued to be the input and guidance inherent for organizational learning. Ramaswamy and Ozcan (2014) primarily views co-creation as a strategic and corporate level issue and organizational learning is a central topic that needs to be addressed on this level. This is manifested in both the idea of managerial mindset being one of the most important tools for implementation, in value co-creation being
emergent from the individual cognitive processes in the organization, as well as in the framework where learning is essential for the capturing of value.

Drawing on learning and mindset being essential topics of the Co-Creation Paradigm, the essence of Tollin and Vej’s (2012) mindset model (i.e. the focus of the different mindset dimensions rather than its application to sustainability) and Bell’s et al (2002) categorization of learning schools of thought (i.e. the economic, the developmental, the managerial and the process school) is helpful for organizing the underpinning ideas of the Co-Creation Paradigm.

To begin with, the economic school is characterized by its focus on the outcome of efficiency by improving learning curves from learning by doing, technological advances and scale effects (Day and Montgomery, 1999). In Tollin and Vej’s (2012) mindset model the economic school is expressed in the “outcome” dimension and aim to answer questions related to the outcome of organizational learning as a result of the improvement of production processes. In the Co-Creation Paradigm framework, the strategic architecture of the engagement platforms can be viewed as the structure framing learning (Ramaswamy and Ozcan, 2014, p. 160). However, as the outcome of the framework is based on personalized experiences, Ramaswamy and Ozcan (2014) reject standardization of product or processes and customization. Thus, learning as seen in the economic school of thought is absent in the Co-Creation Paradigm.

The developmental school is sprung from a resource-based view on learning where organizational learning is viewed as an evolutionary process as a result of temporal day-to-day learning (Bell, et al., 2002, p 76). Therefore, learning rely on the decisions made earlier in the organization and is viewed as an accumulated resource (Teece, Pisano and Shuen, 1997). In the mindset model, this school is expressed in the capability dimension. This dimension aims to address which capabilities are crucial for the operationalization of the Co-Creation Paradigm framework. In regards to the developmental school, Ramaswamy and Ozcan (2014) do indeed acknowledge capabilities, however more as an outcome or characteristic that has to be built into the social, organizational and technical architecture to enable value creation. Organizational capabilities such as those processes that have emerged as a result of the earlier application of knowledge and skills (Grant, 1996; Morgan 2012) are not addressed.
The managerial school addresses top management as crucial for defining and guiding the organization as well as in the development of resources (Bell, et al. 2002). In Tollin and Vej’s (2012) model, the managerial school is represented in the “scope” dimension, which defines “…the organisation’s frame of inquiry, conduct and learning…” (Tollin and Vej, 2012, p. 627). Applied to the Co-Creation Paradigm, the scope dimension aim to address areas such as the framing of engagement platforms, which networks and communities to connect, etcetera. As earlier described, Ramaswamy and Ozcan (2014) view managers as elemental for the implementation the framework (both internally and externally), hence this dimension, and the managerial school lies like an underlying theme.

The process school of learning is about managing the organizational learning processes. Organizational learning is viewed to emerge from the social process occurring between participating individuals that on a long-term basis is translated to a higher level learning. This perspective highlights interaction as the locus of learning as interaction is instrumental to learning experiences (Kolb and Kolb, 2008). In the mindset model (Tollin and Vej, 2012), this school is expressed in the processes and relationships dimension. Related to the Co-Creation Paradigm, this dimension aims to address processes and relationships needed for leveraging on a o-creation as a strategy. Seemingly, the process school of learning has a lot in common with the Co-Creation Paradigm. In the Co-Creation Paradigm, interaction is the locus for value creation and value is a socially constructed process. Moreover, experiential learning “…takes place in the process of interactions and from experience outcomes” and results in tacit knowledge in the capability ecosystem (Ramaswamy and Ozcan, 2014, p. 78). The tacit knowledge of each individual is what makes up the unique competence in the capability ecosystem. Ramaswamy and Ozcan (2014) views this tacit knowledge to be the basis for value creation as this knowledge is what individuals transform and actualize into value via engagement. Thus, the Co-Creation Paradigm as a framework is strongly positioned within the process school of learning. Within this perspective, there are three dominant themes that can prove helpful for the purposes of a better understanding of the framework: strategy as ecology, network theory and open innovation.
These specific process pillars are selected on the basis that the framework builds on a view of the company as a system of networks making up resources and how resource networks and individual stakeholders in the networks relate to each other via the engagement platforms. Within the strong focus on networks, it also acknowledges an external and open view of the boundaries of the firm, similar to that of open innovation theory (Chesbrough, 2003). Additionally, competitive advantage in the co-creative paradigm framework originate from the ability of the “enterprise as a nexus of engagement platforms” to innovate itself by harnessing resources from internal and external networks and open social sources via the engagement platforms.
3.2.1 Strategy as Ecology

The Co-Creation Paradigm emphasises co-creation as co-evolution between the company and its stakeholders through the building of engagement platforms that connects the company’s business networks and stakeholder with each other. Iansiti and Levien (2004) present what they call “strategy as ecology” shedding light to the different roles a company can take within the business ecosystem. Companies that has built platforms for product or services that solves complex value adding tasks that are at the core for the health of the business ecosystem, are called keystone companies. Removing this type of companies from the ecosystem would cause serious damage to the ecosystem’s health.

Chesbrough (2007) build on Iansiti and Levien’s (2004) reasoning and identifies six different types of business models: 1) undifferentiated business model, 2) somewhat differentiated business model, 3) segmented business model, 4) externally aware business model, 5) innovation processes embedded with its business model, and 6) business model as an adaptive platform. The latter one depicts a business model that is very similar to what Ramaswamy and Ozcan (2014) describes. In type 6 business models, the company has entwined its business model with those of suppliers and key customers so that risk and value creation is shared. In many instances, the Co-Creation Paradigm depicts a similar reasoning, especially when recalling the architecting of capability ecosystems and engagement platforms.

3.2.2 Network Theory

The enterprise in the co-creation framework is described as a nexus of engagement platforms, leveraging on its own resources, its networks’ resources as well as the open and social resources in the networks of social communities. The strength of the capability ecosystem is determined by the agential capacities, as well as the supporting structures that enable agency (Ramaswamy and Ozcan, 2014, p. 83). Hence, it is fair to say that networks are treated as a central focus of the framework. The aim of this section is to provide an explanation of how network theory is applied in the co-creation paradigm framework. Thus, some background information on how network theory has developed through the years as well as three different theoretical perspectives on network will be presented, individualism, structuralism and systemism. The Co-Creation Paradigm framework is argued to belong to the system perspective.
Networks as a research discipline spans over all social sciences and is a topic that has gained a significant upswing within recent years and especially within management research (Borgatti and Foster, 2003; Borgatti and Halgain, 2011). However, society has always been made up of networks but with the presence of technology, the nature of networks have been restructured, expanded on and intensified (Castells, 1996). Information and knowledge have been two dominant conceptualizations of the increased focus on networks (Castells, 1996), mainly as technology and the Internet has democratized access to information and enabled it to flow freely and fast. Within trends such as Internet of Things and other technical developments (Ramaswamy and Ozcan, 2014), networks will continue to evolve, be reformulated and intensified in ways currently not known, making their existence and the understanding of them increasingly important.

In theory, a network is defined as a set of nodes (actors, such as individuals, teams, businesses or which other level of analysis one choses to focus on) that comprise the network. Between these nodes, there are ties linking the nodes together (Borgatti and Halgin, 2011). A tie could be a friendship or other types of a binary relation between two or several actors. Relations are what distinguish one network from another, such as a friendship tie make up one network, and an advisory tie makes up a different network. Though networks with different relations are theoretically separated from each other, they might empirically be related (Borgatti and Foster, 2003). The effects created from the pattern, or the structure of the network, creates new resources and capital for the firm. For instance, the social network formed between social individuals, is in economic and management theory described as social capital and is a property of a collection of individuals’ bonds to each other (Adler and Kwon, 2002). In other words and without going into too much depth about social capital, networks interconnectedness can be valuable resources for the firm.

In order to better understand how the Co-Creation Paradigm (Ramaswamy and Ozcan, 2014) approaches networks, the outlining of three different approaches to network theory can prove useful: individualism, structuralism and systemism. The individualist approach and the structuralist approach (Mayhew, 1980; Borgatti and Foster, 2003; Borgatti and Halgain, 2011) are two general approaches towards network theorizing. The individualist approach looks at the individualistic characteristics of separate components and their ties (usually actors) within the network, whereas the structuralist approach acknowledges the network as a social entity which must be studied as a complete whole (Mayhew, 1980). Systemism on the
other hand, is an emergent perspective in the social sciences and is argued to be the more adequate approach towards social sciences research as it accounts for the weaknesses of individualism and structuralism (Bunge, 2000). Systemism is an integrated understanding of networks where “everything, whether concrete or abstract, is a system or an actual or potential component of a system” (Bunge, 2000, p. 146). The elements of the network and the environment in which it exists in makes up a system and these systems have emergent features that its individual components lack (Ibid.)

<table>
<thead>
<tr>
<th>Approach</th>
<th>Individualism</th>
<th>Structuralism / Holism</th>
<th>Systemism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit of analysis</td>
<td>Individual</td>
<td>Social network</td>
<td>Whole system or component of system</td>
</tr>
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*Table 6. Network approaches*

In the Co-Creation Paradigm framework, the understanding of the individual, the communities and the networks in which the individual actors partake are all important. The individual is the one experiencing and thus the ultimate creator of value. Yet, the experience is shaped by the context, the meanings, the event and involvements in which the individual is involved and exist in. Thus, the communities and networks in which experiencing individuals are involved and exist in are what is shaping the experience environment. In the Co-Creation Paradigm, the capability ecosystem constitutes the networks and communities that envelope the enterprise and is made up of experiencing individuals. The understanding of the totality by making appropriate connections of all kinds of networks while simultaneously recognizing the experiencing individual as the core of value co-creation, is what the Co-Creation Paradigm is all about.

Thus, the co-creation paradigm framework approaches network both from the individualistic and the holistic perspective. Therefore, the Co-Creation Paradigm framework approaches network theory from a systemic point of view. The engagement platform by its assemblage system, which is supported by network of firms, communities and other network resources, connects the different elements into a complete organism. Each element of the framework is its own system, made up by smaller systems, and connecting with other systems internally and externally. Together they make up a complete system with emergent characteristics that cannot be found in an assemblage system alone. This is in compliance with the thoughts contributed by Bunge (2000).
3.2.3 Open Innovation

Open innovation is mentioned as “parlance” of co-creation (Ramaswamy and Ozcan, 2014, p. 15). However, the Co-Creation Paradigm framework seems to build on the notion of open innovation model and paradigm (Chesbrough, Vanhaverbeke and West, 2006) to a much larger extent. The Co-Creation Paradigm framework looks at enterprises as a global competence base (Ramaswamy and Ozcan, 2014, p. 23) where open and social network resources are key for building self-innovating engagement platforms. Chesbrough (2003) put forward that companies should deploy and commercialize knowledge from internal and external sources. Whereas the origins of the Co-Creation Paradigm (Ramaswamy and Ozcan, 2014) can be traced back to Prahalad and Ramaswamy’s (2000) ideas on how companies can utilize the knowledge and competence possessed by the surrounding network, the logic behind this reasoning is in great compliance with Chesbrough’s (2003) open innovation model.

Ramaswamy and Ozcan (2014) stress that it is crucial for companies to rethink and open up their value chains and stop controlling interaction touchpoints with stakeholders in order to enhance value co-creation. The Co-Creation Paradigm depicts a system outlining the processes and relationships for integrating the external networks into the company’s business processes. In other words, transfer external knowledge to internal knowledge. The technical, social and organizational architecture (see section 3.2.5 Strategic Architecture of Engagement Platforms) is what enables the company to harness the external network competence by leveraging on dynamic process, collaborative and interaction-enabling capabilities. Similarly, Chesbrough (2003) put forward that an organization operating an open innovation model is characterized by fuzzy boundaries and should be viewed as an architecture or system of processes that spans both outside and inside the organization.

As evident, there are great commonalities in the thinking behind Chesbrough’s open innovation model and the framework proposal made by Ramasawamy and Ozcan (2014). The purpose of presenting open innovation as a foundational pillar for the Co-Creation Paradigm is mainly to depict Ramaswamy and Ozcan (2014) definition of the organization as a less boundary-oriented entity.
### 3.3 Managerial Perspective on the Co-Creation Paradigm Framework

Although the Co-Creation Paradigm framework offers several perspectives on and examples of how co-creative companies can be materialized, it still has several areas that are subject for revision, further research and criticism. This section summarizes some of the main criticisms and reflections on the framework presented above in 3. Presentation and Analysis of The Co-Creation Paradigm in relation to 3.3. Theoretical Foundation coupled with the insights from managers in industries that are characterized with a high degree of technology. The aim is to put the framework in a critical perspective with regards to the managerial aspects revolving around the enactment of the Co-Creation Paradigm framework primarily focusing on the meaning of the framework’s different elements and their implications from a managerial perspective.

**Engagement**

The co-creation-based view of enterprises emphasizes co-evolution, and Ramaswamy and Ozcan (2014) mean that this in itself will create engagement. The four engagement principles, appealing to stakeholder’s creativity, intentions, transformation of value and integration with other platforms, are the means by which an engagement platform creates engagement according to Ramaswamy and Ozcan (2014). Hence, the framework seems to be based on an assumption where all stakeholders are willing to engage, and actively are doing so if they can. However, the conception of consumers having the resources, life style, and priorities to engage, might not be fully aligned with the reality. It is an assumption too simplified to be working in practice and in all cases.

**Core Product or Service**

The Co-Creation Paradigm is based on a belief that the future of competition lies in a company’s ability to innovate the experience domain. Ramaswamy and Ozcan (2014) propose that the experience is valued on the individual’s perceived quality of the experience, which stems from the interaction with a good or service. On one hand, innovating the experience domain offers an appealing expansion of the value creation domain, which significantly takes away focus on product innovation. This is good because the competition within the product sphere is intense. Product life cycles are shortening and companies cannot rely on superior technology for longer periods of time. This development requires more
resources to be allocated to the development, production, transportation and distribution of products.

On the other hand, innovating experiences might also be an escape from investing in improvements, quality insurance and innovation of products. The core offering of many enterprises does often revolve around a core product, be it a software system, sports gear, smart hardware devices or commodities. Indeed, the experience from interacting with services and products is what will determine the value, however the physical quality of the service or product will in many cases lay the foundation for the experience. To exemplify, take the case of Nike, which is a frequently used case by Ramaswamy (see Ramaswamy, 2008; Ramaswamy and Gouillart, 2010; Ramaswamy and Ozcan, 2014) and more specifically the NikeID platform, which allows customers to design their own shoes. Even though Nike, according to Ramaswamy (2008) built several successful engagement platforms, this would never have happened if there were not for the shoes in the first place. If the core product starts to lack in quality, the value proposition of the engagement platform would be ruined.

**Brand**

All of the presented cases (see appendix 1 for an overview) of organizations practicing co-creation are backed up by a strong brand. Though, Ramaswamy and Ozcan (2014) never mention the brand as a potential enabler for co-creation, or as an important aspect of the strategic architecture. Following on the same topic as above, from an external perspective, would stakeholders be willing to engage if the company had a poor brand image and reputation? A company’s brand image has been described as a prerequisite for consumer and customer engagement (Keller, 2001) and to facilitate the launch of new products (Aaker, 1995). Moreover, would employees be willing to engage if not the culture and the vision within the company encouraged them to do so? Culture has shown to be pivotal for employee engagement (Lockwood, 2007). Hence, a prerequisite for enacting co-creation could be the existence of a strong corporate brand.

**Capabilities for Building and Maintaining Different Types of Engagement Platforms**

The co-creation view on enterprises make several proposals on what capabilities the strategic architecture needs to entail in order to enable engagement platforms of co-creation to create experiences and harness the capability ecosystem built on communities and network
resources. For instance, the technical architecture with event-centric capabilities, dynamic process capabilities and collaboration capabilities outline which features the technical structure need to have to enable co-creation. Yet, the meaning of these capabilities in practical terms is merely described, but not explicitly explored. Moreover, the framework pays less attention to the resources and capabilities needed for building engagement platforms and initiating co-creation in the first place and continuously in the operational work of leveraging on the platforms. Also, different types of engagement platforms presumably require different types of resources and capabilities. To exemplify, an engagement platform focusing on harnessing stakeholder insights for New Product Development purposes will most probably have other prerequisites on resources and capabilities than an engagement platform that is purely a value offering in itself.

Following the same topic, there has to be a clear link between internal and external processes for an engagement platform to make sense (Ramaswamy and Ozcan, 2014). Yet, this link is not explicitly clear. In most examples brought up by Ramaswamy and Ozcan (2014), the external perspective is dominating the discussion as the cases mainly exemplify how communities and external networks can get involved to co-create experiences. Externally, focus lies on understanding the networks comprising the enterprise, and utilizing stakeholders as a source of competence in crafting value propositions. Yet, the internally related systems needed for internalization of knowledge, analyzing findings, and the refinement of input to value proposition, such as New Product Development, Customer Relations Management, Brand Management are not brought up to light.

Moreover, most examples brought up by Ramaswamy and Ozcan (2014) only takes a revenue perspective on return on co-creation initiatives. As a result, the “business layer”, that is, how the experiences are transformed into business value is somewhat diffuse. This is mainly because the internal capabilities to make use of the external competence are not clear. The Co-Creation Paradigm as described by Ramaswamy and Ozcan (2014) gives a holistic perspective on how human experiences can be leveraged with help from technology, and which processes and relationships in large that needs to be in place to do this. However, capabilities for capturing value – both in terms of learning and the financial value that can be reinvested in the business – are not explicitly explored. This connection is vital for a manager wishing to enact the Co-Creation Paradigm.
Furthermore, Ramaswamy and Ozcan (2014) propose that competitive advantage is a result of managing the infrastructure of the engagement platforms (Ramaswamy and Ozcan, 2014, p. 22). In other words, Ramaswamy and Ozcan (2014) also propose the building of engagement platforms as a business strategy. However, the framework lacks a consideration of the presence of competition, an essential factor for relative positioning on the market and business performance (Morgan, 2011). When it comes to competition, the firm’s access to resources (tangible and intangible assets) and firm-specific capabilities (organizationally embedded and firm-specific capabilities that enhance productivity on resources that the organization has access to) play an essential role for performance (Makadok, 2001).

This could explain the market failure that some of the case companies Ramaswamy and Ozcan (2014) are utilizing, for instance that of Starbucks. Starbucks is described as a successful co-creative company that have managed to efficiently connect several engagement platform with superior experience throughout the whole value chain (from coffee bean farmers to urban coffee consumers) and expanded their business to have almost worldwide coverage. However, something that is not brought up is the company’s market failure in Australia where the company shut down 61 out of 84 stores in 2008 (Starbucks Annual Report, 2008). Decreasing revenues finally lead to a sell off of the remaining cafés to the Withers Group (also owner of 7 eleven) for $15.9 million (Starbucks Annual Report, 2014). Potential reasons for the market failure is that Starbucks failed to understand the Australian coffee consumer and café culture. Australians have an admittedly sophisticated taste in coffee and are not so much concerned with the ease of location for a good cup of coffee (Patterson, Scott and Uncles, 2010). Also, the less sophisticated segment was hard to reach as established chains such as McCafé already had a strong presence (Wong, 2014). This case shows that the core product can have just as big significance as the experience. It also draws back on the importance of recognizing competition. If Starbucks had marketing capabilities superior to the competition, the company might have enjoyed better success in the Australian market.

A Business Model Approach

The framework in itself depicts a full view of how the co-creative company, as built on multiple engagement platforms, is creating value together with its networks. Basically, it depicts the overall rationale of how the company’s value network help in creating value. Based on this, the meaning of the Co-Creation Paradigm framework operationalized in an enterprise can be said to represent a business model.
A business model can generally be defined as “the rationale of how an organization creates, delivers and captures value” (Osterwalder and Pigneur, 2010, p. 14). A business model defines the activities involved in creating net value that attract other companies to partake in the company’s value chain, as well as how the company capture a portion of that net value so that the activities can be sustained over time (Chesbrough, 2007, p. 12). A business model identifies the crucial assets, resources and activities needed to distribute a value offering. Approaching the Co-Creation Paradigm by applying a business model perspective on it, can prove meaningful for the enactment of the framework as it would allow for the identification of resources, activities, partners, segments, and channels as well as how costs and revenues are related to the different activities. In other words, it would give a mean to understand how the business rationale is tied to performance.

3.3.2 Sub-conclusion
This section has provided a presentation of the Co-Creation Paradigm framework, an analysis of its theoretical foundation and an identification of areas where the framework could benefit from further exploration. The Co-Creation Paradigm framework does indeed provide an outline of the different relationships and processes that have to be considered when implementing the framework, as well as some of the capabilities that need to be built into the system for it to function. However, the relation between these processes and relationships to strategy and business performance is not particularly clear. The Co-Creation Paradigm offer a generic idea or approach to how co-creation is to be implemented, a conception that might not always be aligned with the reality or applicable to all types of activities. Especially, the resources and capabilities needed to enact, and implement, and continuously “run” the framework have been identified as a crucial area for further exploration. The framework lacks insights into the resources and capabilities needed for managers who wishes to act upon it and make co-creation engagement platforms part of their individual organization. Thus, a resource-based view of the framework would benefit the understanding of the framework and the prerequisites it puts out on the organization.
4. Applying the Framework

Building on the findings from the exploration of the Co-Creation Paradigm, this chapter will present an understanding of the Co-Creation Paradigm in a NPD setting and from a resource-based perspective (RBV). The reason for focusing on NPD is because the delivering of new value propositions is one of the most central concerns for a company to stay competitive. The Co-Creation Paradigm offers a view on NPD that to a large extent is based on incremental development, emphasising the co-evolution of the ecosystem. The resource-based perspective is considered especially beneficial for the purposes of practical enactment of the framework, as it would provide a better insight into how the leveraging of engagement platforms is connected to innovation and business performance.

As mentioned previously, the operations related to co-creation via an engagement platform can be divided into an internal and an external perspective. Externally are customers and other external stakeholders who potentially are the consumers of the value propositions delivered by the engagement platform. Except determining the value of an offering, external stakeholders and the networks which they are part of are also, either indirectly or directly, part of the innovation ideation process as they are partaking in dialogue and providing feedback in one way or another. The internal perspective is here directed to the function, systems and processes that enable employees and other internal stakeholders to formulate and materialize the value proposition with the input from the external perspective.

4.1 A Resource-Based View

Morgan’s (2012) model is helpful in understanding the connection between business performance and marketing from a Resource-Based View (RBV), as well as helpful in understanding the relevance of the internal perspective of the Co-Creation Paradigm framework. In RBV, the firm-specific internal resources and capabilities is the initial source to competitiveness. Resources and capabilities create isolating mechanisms that influence the firm’s positional advantage and superior market and financial performance (Morgan, 2012) as well as drive the internal strategic decisions that formulate the value offering expressed in the positional advantage (Morgan, 2012). The resulting market and financial performance then feeds back in shape of learning and financial means to reinvest in the previous processes or resources. Hence, the internal perspective in relation to the Co-Creation Paradigm framework is valuable from a managerial perspective, as it would address the crucial
resources and capabilities needed to enact the framework as well as explain the link to business performance.

Drawing on Morgan’s (2011) conceptualization of the link between business performance and strategic marketing, there are several resources and capabilities within the marketing function that can prove meaningful to the building of an engagement platform. For the purposes of strategic marketing, resources are defined as the assets the marketing function has access to. Marketing capabilities are what enable the organizational processes within the marketing function to be carried out in order to acquire, combine and transform marketing resources into value offerings (Morgan, 2011). Thus, capabilities are closely entwined with the routines and processes carried out on the individual level and current capabilities are a result of the earlier application of knowledge and skills (Morgan, 2011; Grant, 1996; Winter, 2000). As all organizations have their own processes and routines, every organization will develop its own unique set of capabilities. Hence, some firms will develop superior capabilities over others as a result of the processes and routines carried out over time. Important capabilities are those that either contribute abnormally much to superior customer value or allow for more cost-effective ways of delivering customer value (Day, 1994).

Figure 7. Morgan (2011) model of marketing’s connection to business performance.
Capabilities related to strategic marketing can be organized into dynamic, specialized, cross-functional and architectural (Morgan, 2011). Dynamic capabilities in strategic management is when a firm is able to quickly change the way it makes use of resources to reflect changing market conditions (Teece et al, 1997). In strategic marketing, dynamic capabilities are expressed in market learning capabilities, capability to reconfigure resources, and capability enhancement. Specialized capabilities, on the other hand, is dedicated to carrying out more distinctive processes. These processes mainly revolve around the traditional marketing mix. Hence, product management, pricing management, channel management, marketing communication, selling and market research capabilities fall into this category (Morgan, 2011). Cross-functional capabilities are those that are devoted to the activities primarily performed by the marketing function, such as Brand Management, New Product Development (NPD) and Customer Relations Management (CRM), but are dependent on specialized capabilities from other functions or other areas within the marketing function (Morgan, 2011). Architectural capabilities revolve around the planning- and implementation-related processes and thus concern the selection, integration and orchestrating specialized and cross-functional capabilities and the resources associated with these capabilities (Morgan, 2011, Galunic and Rodan 1998; Henderson and Clark 1990).

As evident, the marketing function entails several layers of capabilities with different characteristics. Specialized capabilities could be said to be closer to the daily operational work and hence is characterized by a lower level learning, where learning by doing and the actual outcome are the focal points. Cross-functional capabilities build on the ability to successfully aggregate specialized capabilities within the marketing function as well as outside the marketing function. Hence, cross-functional capabilities reside on a somewhat higher level of learning, for instance the way a specific department work with the specialized capabilities from within and outside the marketing function as input. Architectural capabilities, which are the ability to aggregate and orchestrate both specialized and cross-functional capabilities and these capabilities assigned resources, reside on an even higher level of learning. Finally, dynamic capabilities as being described as a firm’s ability to reconfigure resources and upgrade capabilities in order to tap into the learning on the individual, group as well as organizational level (Morgan, 2011), can be said to overlay all of these capabilities as a feature of the firm and its processes on both the specialized, cross-functional and architectural capability level.
4.2 Connecting the Co-Creation Paradigm framework to Business Performance

Now, when it comes to enacting the Co-Creation Paradigm framework, it can prove meaningful to explore how these capabilities relate to the management of a specific engagement platform. The engagement platform as the most crucial element of value creation, poses focus on the refinement of value input (capability ecosystem) to the experience (experience domain) and actual value outcome. For the purposes of this study, the focus will primarily be on the experience configuration principles (dialogue, access, reflexivity and transparency), which are supported by the design principles (creativity, intentionality, transformativity and integrativity) of the assemblage packages (artifacts, persons, processes, and interfaces) and the capability ecosystem. There are several reasons for this.

Firstly, the configuration principles are considered the most tangible sub-framework of the framework, which makes them the easiest to influence from a managerial perspective. Secondly, the practical initiation of the Co-Creation Paradigm is viewed to start with the individual experience and the building of a co-creation engagement platform in any part of the organization (Ramaswamy and Gouillart, 2010; Ramaswamy and Ozcan, 2014). Hence, for the purposes of enacting the framework, the design of engagement and experience configuration makes a good point of departure. Lastly, the DART framework can be viewed as the gate where engagement is transformed into information. It is the means by which the company can tap into stakeholders’ emotions, knowledge, perceptions, and behavior and transform this information into knowledge. As learning is the basis of the Co-Creation Paradigm framework, the ability of the firm to collect and transform the experiences into meaningful, actionable and valuable insights, make the DART framework inherently important.

4.2.1 Co-Creation and New Product Development

There are of course several areas and capabilities that can prove meaningful for a greater understanding of the required resources and capabilities for enacting the framework, however drawing on that the engagement platform is described to facilitate the processes involved with value offering creation and ideation, it becomes interesting to look further into NPD and how co-creation relates to value proposition and ideation processes. The NPD marketing capability is defined as the firm’s ability to leverage meaningful value offerings to its target markets (Morgan, 2011) and usually involves the transformation of market and technical
knowledge into value offerings (Moorman and Miner, 1997). Hence the NPD capability can be argued to involve both the ideation and offering aspect of the engagement platform, making it an interesting area for exploration as the NPD capabilities and resources involve the whole value chain. Moreover, an engagement platform is described to always have a value proposition, and thus, the organization’s ability to leverage on this becomes important, making NPD inherently important. In the Co-Creation Paradigm framework, the ecosystem capabilities of the network and open social resources constitute the input for the ideation process.

The generic NPD process can be described in four stages: the concept generation, project assessment and selection, development, and commercialization (Tidd and Bessant, 2013, p. 409). NPD as a marketing capability concerns the acquisition of knowledge from both internally located functions and from the external environment as well as knowing which resources to acquire and deploy in order to leverage on the defined value offering (Morgan, 2011). Hence, the NPD marketing capability is concerned with the processes involved in identifying, acquiring, defining and producing meaningful value propositions. Drawing on this, specialized capabilities associated with NPD as a cross-functional capability have been suggested to concern the acquisition of internal and external knowledge, the processes of locating, acquiring and deploying complementary resources, and the diffusion of knowledge in the organization (Morgan, 2011). Related topics to these processes concern organizational memory (Moorman and Miner, 2001), cross-functional teams (Sethi et al, 2001; Leenders and Wierenga, 2001) and knowledge management (Madhavan and Grover, 1998).

The degree of costumer-driven development and cross-functional integration of internal functions and external supplier and partners in the NPD marketing capability have shown to be important factors for business performance (Ramaswami, Srivastava and Bhargava, 2008). Customer-driven development concern customer or user input to the conceptualization, assessment and continuous testing phases of the NPD process, as well as being part of designing the offering themselves. Cross-functional integration usually requires cross-functional teams (Ramaswami et al, 2008) that can facilitate information flows between different actors (Song and Parry, 1997).

4.3 Framework for Exploration

From analyzing the framework from a learning perspective, coupled with insights from
interviews with managers, a resource-based view on the framework was missing. Moreover, the gatekeeping link between the internal and external perspective of the firm is considered a crucial aspect for operationalization of the framework. With inspiration from Morgan’s (2011) framework of how marketing activities related to business performance, NPD capabilities stand out as pivotal for the development and running of an engagement platform and the co-creative organization in its whole. This is because NPD processes spans throughout the whole value chain from ideation to offering, and is defined as the firm’s ability to leverage meaningful value offerings – something very central for the value creating experience. However, as evident from the former discussion, implementing a framework such as the Co-Creation Paradigm framework, and more specifically leveraging on the DART framework, requires possession of certain capabilities and resources as well as an understanding of which capabilities and resources that are needed. The capabilities and resources needed to meet the needs of value co-creation as described by Ramaswamy and Ozcan (2014), and more specifically the DART framework, are not clear. This creates the stance from which the rest of this study departs from.

![Figure 8. Framework for Exploration](image-url)
5. Experiences From Practice

The following chapter outlines some empirical findings of how companies leverage on NPD in relation to value co-creation processes. Two generic cases from widely different industries are presented and their approach to NPD discussed. The first case concerns a video game company using multiple integrated IT-platforms to develop products incrementally. The second company is a pharmaceutical company producing highly advanced drugs that has radically changed the way certain diseases are treated. From these two examples, it is evident that co-creation is operationalized in very different ways depending on the industry, the ecosystem constellation, the nature of what is being developed. Whereas the video game company draws on co-creation with users for users, the pharmaceutical company co-create with carefully selected knowledge networks. In different terminology, the video game company’s co-creation is characterized by market “pull” mechanisms and the pharmaceutical company’s co-creation processes revolve around technological “push”.

![Figure 9. Typology of innovation vs. business model](image.jpg)

5.1 Video Game Company

The video game company has built several platforms connected to their game console as an integrator of the other platforms. Two specific types of such platforms related to NPD are, 1) community platforms for market test and feedback, and 2) video games as platforms where users can develop their own games on the game platform. The first type of platform can generally be described as a test community where interested users can participate in feedback programs, download and test beta products, and submit information on bugs and suggestions.
This type of community appeals to lead users, or so called innovators and early adopters (Rogers, 1962) as it allows the user to try out new products in its test stage.

The second type of platform makes the distinction between the user and game developer considerably less clear than in the previous case. This type of platform takes the form of a game platform, open to anyone with the skills to build his or her own game on it, yet the underlying architecture of the original game is still preserved. Other users can then take part of other users’ design when gaming online. The opening up of the game platforms paved the way for a new business model from which several commercially successful games without any significant market risk or development costs for the video game company.

The operationalization of co-creation is to a large extent based on the agility of the teams and is dependent on speed in the development process and to reconfigure resources quickly to meet the demands of the community. The communities facilitate the speed, but this also demands community engagement and a strong brand relationship between the participants and the company. Regarding user ideation, the successfulness of the company lies in being able to spot successful modifications and commercialize them. This requires a well-developed understanding of the market. Management recognizes the strategic importance of engagement, and focus on cross-integration of platforms to enhance value proposition for partaking individuals.

5.2 Pharmaceutical Company

The pharmaceutical company’s NPD approach always starts with intense research and laboratory experiments where selective networks with highly specific knowledge are involved. The product development process can in general be described as a highly complex, regulated and cost-heavy process that can stretch over 15 years. The progression of the process is dependent on collaborative industry-sector partnerships with hospitals and healthcare professionals that facilitate and supervise the testing of the drug on people as well as collaboration with governments and health authorities that decide on regulations affecting the company’s NPD operations.

Simultaneously, the company’s market research team help in the planning for the commercialization of the drugs. Because of the long development processes, most projections are for 5 to 20 years in the future and need to account for both market needs, purchase power,
health in trends, but also to politics, regulations and policies. Because of the long development cycles, it is not uncommon that NPD projects are killed off even in later stages due to shifting market demands, although a lot of money has already been invested in it. On a more strategic level, the company works to a large extent on building relationships with partners such as health authorities, health organisations and hospitals to raise awareness and develop the healthcare system. By doing this, the company grows its markets together with their partners.

Co-creation in this type of company is highly dependent on the company’s reputation amongst its stakeholders as market success to a large degree is dependent on partner relations and the quality in the product development processes as well as final product. Also the ideation phase is dependent on relationship building as innovation is a result of sophisticated and carefully selected knowledge networks and comes in the form of intellectual property.

5.3 Suggestions on Push/Incremental and Pull/Radical

In order to showcase the logic reasoning it could prove meaningful to exemplify the two other quadrants of figure 9. The lower left quadrant, technology push/incremental innovation, could be a car manufacturer such as BMW. BMW co-creates with individuals by inviting them to online design contests from which certain ideas are picked out and pushed out onto the market. Thus, co-creation is an operational “add-on” activity that supports the NPD process for incremental development of the car as a core product. The upper right quadrant, market pull/radical innovation, could be a company such as Apple which revolutionized the smartphone market within the iPhone and have from there built connected IT-platforms that engages different types of markets. For instance, Apple’s app store which allows developers to develop app for iPhone users.

5.4 Sub-Conclusion

The video game company and pharmaceutical company are two examples illustrating significant differences in how co-creation is operationalized. Whereas the video game company leverage on IT-platforms for co-creation and knowledge of the user innovator, the pharmaceutical company views co-creation on a high strategic level and attributes innovation to specialized knowledge. A significant difference between these two is the extent to which IT is leveraged on. What can be stressed here is that co-creation is not a generic idea or
approach. It is highly dependent on the business model, the industry and the organization and the attributes of what is being produced.

6. Discussion and Conclusion

This chapter aims to couple the findings made from the literature exploration with findings from practice, discuss their meanings and conclude on prerequisites for enacting the Co-Creation Paradigm and the capabilities needed to do so in order to answer how the Co-Creation Paradigm can be applied from a managerial perspective.

From the review and analysis of the Co-Creation Paradigm, RBV was identified to benefit the framework from a managerial perspective. Several questions regarding the meaning of the framework, and what difference the possessed capabilities and resources make for performance were raised. Having stakeholders that are willing to engage was identified as one of the core prerequisites for enacting the framework. Therefore, having a strong brand stood out as imperial for enactment on the premises that a strong brand drives engagement. This was also evident in the case example of video gaming company, which relied on the communities to co-create with them. Within the capability field, capabilities for actually implementing the framework from start were identified as crucial. This section also recalled a business model approach to the framework to promote a better understanding of it.

The second part of the study identified the NPD setting as beneficial for exploring co-creation capabilities in practice since the engagement platform is described to span the generic NPD process from ideation to value proposition. Evidence was found that the innovation typology (incremental or radical) was related to the company’s business model (technology push or market pull) in a co-creative NPD-setting. A potential explanation to this is that the business model is adjusted after the knowledge possessed by stakeholders and networks. To exemplify, in the case of the pharmaceutical company, the ideation phase, which selects highly sophisticated knowledge networks to collaborate with in the ideation phase; the business model depends on the production of intellectual property and patents. The examples with the video gaming company appeals to two types of knowledge levels among the stakeholders it engages. The test community represent general knowledge of people who are interested in gaming. The other business model based on the game platform, builds on user innovators that are knowledgeable in programming and game design.
If looking beyond the know-how of stakeholders, and toward NPD as a marketing capability, there is difference in the way which co-creation is enacted. Whereas the pharmaceutical company enact co-creation on a high level strategy taking the 15-year long development cycle in perspective, a company such as BMW are operationally oriented in their co-creation activities. Co-creation in this regard is more of an “extra” feature of the NPD operations. This observation in combination with the degree of which co-creation processes are reliant on IT seems to make a difference for how co-creation is enacted in practice. Both the pharmaceutical company and the video game company can be said to have given co-creation an essential part of their strategy, yet in very different ways. The pharmaceutical company focus on radical knowledge innovation incorporating a small network. The video gaming company focus on development of products for the mass, and also incorporating larger networks of participants in the co-creation operations. BMW employ co-creation on an operational level but aim to reach a large network, and also basing this on IT. Thus, the extent to which co-creation efforts are IT-driven constitutes an important factor for how co-creation is enacted in practice.

Figure 10. Level of IT-orientation in operational and strategic co-creation

To conclude, the Co-Creation Paradigm suggests a generic approach toward co-creation based on the building of platform. In practice, co-creation is not a generic approach. The framework can be managerially applied on both a strategic level and an operational level.
7. Implications

This chapter outlines the theoretical and managerial implications derived from the study.

Theoretical implication

The Co-Creation Paradigm framework is to be viewed as a generic model outlining the company’s high-level value creation processes. It does not have a clear link to business performance and does not take capabilities or resources into consideration, and therefore is hard to apply to practice for the specific case.

Managerial

For managers wishing to enact the framework, the establishing of a strong corporate brand is implied to be an essential factor for enactment. Capabilities needed for enactment are indeed related to relationship building and brand management, and depending on the size of network, also IT-capabilities can be important. Also, managers are encouraged to consider whether they are working with co-creation on an operational or strategic level. Taking co-creation for NPD purposes from the operational level to a strategic level can induce high-level business model innovations.

5.2 Further Research

A research area that requires more investigation is how the framework can be applied in other settings than NPD, for instance, a CRM setting or brand relationships management setting. Those two areas could potentially provide further insight to the link between the internal and external perspective in co-creation activities. Another interesting area that goes further away from the topic of this thesis, would be to explore the perspective of external stakeholders to better understand what drives engagement in different settings and linked to different types of co-creation activities. Further, a case study following the operationalization of the Co-Creation Paradigm in different enterprise contexts is necessary to better understand how to enact the paradigm and additionally measure its benefits.
8. References


9. Appendix

Appendix 1  Overview of reference matter and cases for the Co-Creation Paradigm
Appendix 2  Interview with Johan Börjesson, including interview guide
Appendix 3  Interview with Christian Pedersen, including interview guide
Appendix 4  Interview with Ole Kjerkegaard Nielsen, including interview guide
### Appendix 1

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<tr>
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<td>Interfaces</td>
<td>Hallward, Peter. 2007. Out of This World: Deleuze and the Philosophy of Creation. London: Verso.</td>
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Appendix 2

Interview guide

Who are you?
Experience?
Thoughts on value? Value co-creation?
Thoughts on IT and experience?
  • Value co-creation, what is it?

  • Explain the framework: nexus of engagement platforms, experience domain, ecosystem capability
    - Thoughts/concerns?
    - Applied to you daily work, what challenges? Is it applicable? Why so, why not?
    - Challenges?

  • Strategic architecture – the framework for how the engagement platforms are linked together and to communities and individual stakeholders

  • Technical, organizational and social
    o IT-enabled infrastructure – core enabler
      ▪ In relation to value co-creation and the interaction/experience as fundamental basis for value?
      ▪ Practical implementation problems

    o Dynamic capabilities

    o Collaboration capabilities

Interview Notes

Jobbat sedan 8 år, testledare, projektledare (mjukvara, telefon och plattformsprojekt – hårdvaru platformar, teknisk roll), business development sedan augusti
Co-creation, explain the concept – firm and networks vs. stakeholders
– Explain the framework: engagement platforms, experience domain, ecosystem capability
  - Initial thoughts
    o Förstår syftet med att försöka definiera upplägget för en lyckad engagement platform, komponenter delar

    o Greppar inte slagorden
Naturlig
Bra att den tekniska delen är inkorporerad, tvådelad
Inser att det är saker SoMC kanske missar

Life platform
Halvhjärtat överallt
Har en tanke med experience (LIFELOG)
Inte I linje med cap ecosystem
  Gillar linkability
  Dela data t.ex, kan inte idag
  T.ex. runtastic, ingen möjlighet att plocka data in I lifelog
  Det tekniska är inte på plats, väldigt stora investeringar krävs för att möjliggöra det man vill göra
  Långsiktigt tänkande, långsiktig plan
Lifelog uppstod som en implikation till smartband, supporting till smartband
Behöver inte lifelog applikationer
Feedback tas in I tekniskt perspektiv, analytics på vilka tjänster som används
Långsiktigt titta på suppliers, partners
Customers är svårare, hur sätter man känslodata på hard core data
Fattar inte reflexivity

Hur utvärderar man en engagement platform?
Förmåga att alltid tänka tekniskt → försöker mäta engagement I term of användande
Skulle vara bra med user studies – externa intervjuer, får testa någonting nytt, subjektivt, metodologiskt concern
Begränsning I data och experience, hitta ett problem till lösningen istället för lösning till problemet
Jämfört med konkurrenter, förutom apple så är alla tekniskt drivna
Cross-device strategy – platform, har fyra olika för tillfället
Tänka rätt från början, byggde platform från tekniskt perspektiv som ej vara integrerat med user experience
Problem att ändra tankesätt
Lifelog är ett bra exempel på hur man inte borde göra. Man har delat upp teamet i fyra olika delar

- **Lifelog**
  - Ecosystemet
    - Backend
    - Webben
      - ”Konstigt, borde ligga på experience”
    - Insights
    - Tekniska ASD
  - Experience
    - App
    - Web
    - Bryr sig bara om grafiska
  - Partners
    - Lifelog har två olika aktiviteter
    - Inte integrierat
    - Bygga ihop appar
      - Engagement platform applied to project
      - Experience – feedback and wellbeing
      - Ecosysterm capabilities
        - Håller på att byggas
    - Applied to project? Applied to SoMC?
    - Implementation for project
    - Challenges

**Engagement platforms – APPI**

- **People**
  - Developer communities
  - Ingen data från developer communities
  - Sony fan som driver
  - Calles [other manager] team interagerar med communities
o Customers – såklart
  ▪ Användare – svårt att veta hur användare upplever
  ▪ Dataköpare i framtiden, batter feedbackloop krävs, ställa frågor och få svar
  ▪ Partner – mänsklig kontakt

- Artifacts
  o Utöka, skapa fler touchpoints
  o Reach och utöka ekosystemet, måste vara kompatibel med både android och iOS
  o Inclusivity
  o Man får bara ett försök, t. ex. Tidal
    ▪ Stakeholders interaction

- Processes
  o Integrering mellan appar
  o Få helheten att hänga ihop

- Interfaces
  o Snarare artifacts

Web vs mobil – ingen skillnad.
Point of departure – båda delar måste övervägas i lika stor del
Appendix 3

Interview guide
Who are you?
Experience?
Thoughts on value? Value co-creation?
Thoughts on IT and experience?
  • Value co-creation, what is it?
  • Explain the framework: nexus of engagement platforms, experience domain, ecosystem capability
    - Thoughts/concerns?
    - Applied to you daily work, what challenges? Is it applicable? Why so, why not?
    - Challenges?
  • Strategic architecture – the framework for how the engagement platforms are linked together and to communities and individual stakeholders
  • Technical, organizational and social
    o IT-enabled infrastructure – core enabler
      ▪ In relation to value co-creation and the interaction EXPERIENCE as fundamental basis for value?
      ▪ Practical implementation problems
    o Dynamic capabilities
    o Collaboration capabilities

Transcript

Interviewer: So first of all I would like you to tell me a little bit about you and your background, where you come from and what you do, like, in your daily operations, and projects, etcetera

Interviewee: Sure, I am in the part of the organization called Accenture Strategy, within that there is Business Strategy and Technology Strategy, and I am in the Technology Strategy box. So what we do is... strategic advisory around, you know, IT, technology basically. How you as a company or organization connects to use technology to your advantage or defend against it in certain ways. And it has to do with the external trends coming at you in the market, it has to with the way you are organized, it has to do with the way that you organize
your technology, and of course, how all those things play together in a way. So... I kind of joke that I am in IT but my IT is on PowerPoint. So we tell the story, we help management to tell the story to the rest of the organization, why they should change, or to their board why they should change, or we help them design a plan for how its going to be done. We don’t actually execute the changes, usually, we are in shorter engagement where we define and undefined problem and break it down into smaller pieces and then we let the organization work with it. I mean, sometimes we help them along the way, we help them accelerate the process a little bit by going into some of the engagements, but overall, we don’t sit with our hands down in the actual system and day-to-day processes. Some colleagues within the organization [Accenture] do that sometimes, sometimes we handover internally, but that is usually when the client take over for themselves. So, that’s the helicopter view. If you zoom in a little bit, I’m in what is called Enterprise Architecture which has a lot to do with trying to create an architectural framework for how you talk about the organization. You have all the business processes, you have all your systems, you have your data, you have your interactions, you have your partners, do you speak the same language, do you have a common way of connecting things and see everything as a whole, as an architecture for the organization, for the company. Uhm, so that’s a little bit about the methodology kind of thing of how you create a framework around all these other things.

Interviewer: Good, that sounds great for what we are going to talk about.

Interviewee: I’ve been a consultant for about ten years. My education is from the IT University right up the road here.

Interviewer: Okay. Accenture for ten years?

Interviewee: No, another consultancy for the first four and a half years and then here for, I think it is about, four and a half years actually. So it's about nine years now. Ten next year.

Interviewer: Time flies, for sure. Uhm, I would also like to ask a little bit about your idea about value and what value creation is in your own experience from the way you at Accenture or you as a professional think about it.

Interviewee: I wonder]

Interviewer: [Laughs] I am going to talk about this soon, I just want to know where you come from... Interviewee: That's quite a broad question...

Interviewer: Yes, it is.

Interviewee: We talk a lot about value creation with our clients, so the more traditional model is, you, hire a consultant for a number of hours or days or weeks. And the new way of thinking about these things is that we create some value together, and that is, you know, how we are rewarded for our services is how much value we create for our client. So, there is talk about, or there is a transition, we are not there yet, but there is talk about trying to go towards that model. What we say, you know, is that we are going to create a new product, we are going to create a new service, we are going to optimize with this and this many percent and we are going to get this and this share rate as a payment for our services.

Interviewer: So, like a different kind of business model? [Clarifying]

Interviewee: Yes, yes, kind of. So that is where I hear the word value at the moment, in that
context. Of course, I mean, we are always trying to create something that is valuable to our customers and our clients in some kind of way.

Interviewer: Okay. [Showing the Co-Creation Paradigm framework on screen] So, this originates from a guy called Ramaswamy. He is kind of a thought leader within the co-creation field and has published a lot of articles on the topics and also books, etcetera. And the framework I am researching is from a new book, it was published last year. Just to go back to the very start, their view on value co-creation is that value is only based on the experience. So, experience for your customers, as well as experience for you as an individual, but also that value is two-way. It is the experience, what the customer get out from it and then also the financial value, of course. So there are different ways of thinking of value but experiences is the core driver of value. Does that make sense? [Confirming]. And, what he proposes is that companies, he is basing this on empirical observations, which is an important thing to point out, and he is taking Apple for instance, and an Indian company called ICT, and says that these companies, why they are successful is because they are built on engagement platforms. That the whole company is basically made up of engagement platforms that connect stakeholding individuals, which both involve customers, employees, financiers, it could be anyone that's on an individual basis connected to the company. And then there is also the enterprise network resources, which are the communities and networks that surrounds the company basically. Before we are going into more specifics about this framework, do you have any initial thoughts on it?

Interviewer: Yes, I think the experience is something that we talk a lot about, I mean, out whole reason for existing is that we take experience that we gained in one company and we package that in some way and we make it repeatable and take it to some other company. A lot of the time, I mean, I have been in a smaller consultancy firm before and they bought individual experience from a very experienced consultant with some junior support, you know. Here you buy the knowledge of Accenture, so, you tap into the network of Accenture, you buy a front-facing team that's local, that speaks the language, that knows the context of the country. But very, very often, more times than not, we will hook up someone internationally, someone who has done this very specific thing before somewhere. We had a client within a production company where they were going to go to a new platform, you know a cloud-based platform for you know, office and all the stuff that are lying on their computers. We picked a guy from across the world who didn't know anything about Denmark, he had never been here before but he had done exactly the same project before, and that combined with people from here, it is a very interesting combination and it would have been a very different project if we had left out one of the parts. If he had come here on his own, it wouldn't have made sense. And if he locals had done it without him it wouldn't have made much sense either. So that's, so experience is what we sell most of the time. So, I think that is a good way of...It's a good idea that it is one of the major dots of this framework anyway.

Interviewee: For sure. So, moving on. What they [Ramaswamy and Ozcan] suggest is that the value creation process, this one [point to the vertical flow of the framework], goes from the capability ecosystem through the engagement platform to the experience domain. The capability ecosystem, is basically the way the company choses the build their communities, or draw on the capabilities that actually are embedded in the network resources. And, they also propose these words [GELI] which is more related to the evolution, or like, transforming the capability ecosystem to create sort of an enterprise that renew itself and innovate itself continuously. Then, the engagement platform, kind of connect these different stakeholders
with the communities and try to like, actualize the capabilities to deliver experiences, individual experiences. What regards engagement platforms, which is actually the core topic of my thesis, they can be either virtual or physical spaces, so it can be a meeting place, a kiosk with internet for instance. And also, a cell phone with its user interface is an engagement platform. They say that what an engagement platform does is that it connects artifacts, with people, processes and interfaces. It is not in this map though, but you get kind of the idea... connecting this four different factors makes up some kind of space that create interactions. They say that, in designing the structure in between the different engagement platforms - Does this makes sense to you? When I talk about I am so, like, into it I forget...

Interviewee: I am getting into it, I might have a few questions but I'm following on so far.

Interviewer: So, what they say is that as the enterprise is built on these engagement platforms you need a certain structure between these different engagement platforms. That's where enterprise architecture comes into the picture. They say, that you need to design the engagement design with these different factors; creativity, is giving the means for individuals to actually contribute and make actions; integrativity is the integration between different stakeholders; intentionality is the purpose with the engagement platform, it has to be purposefully designed; and transformativity, is that you need to be aware of value in a way that allows it to transform, so what's value for one stakeholder bring value back to the company, or community, or somewhere or someone else in the system. Do you have any input on that? Does it so...crazy, or does it sound sound?

Interviewee: It sounds like, a platform can be a lot of things, I mean we use platforms a lot as physical, or I mean, virtual platforms or physical products that in the real world are kind of like a collaboration tool. I get the idea that platforms are also something else, you know, a meeting space, or something like that. So, yes, it makes sense. It is a way of summing up activities that happened, and bringing people together.

Interviewer: Is there anything you would like to add? In the way it is presented, any obstacles regarding the implementation? Or, what could be potential obstacles in the implementation of it?

Interviewee: There are a lot of different elements about it. I mean, if you are talking about a place where people interact, or engage with each other, there is a whole range of aspects. I mean, obviously when we talking about virtual platforms there is the technical part, making it work, the usability of the platform, making people comfortable using it, and that it is easier enough than doing something else. But, there is the whole social, communicative aspect of it. Why should I do it? What is the incentive for me? And how is it going to change my social structure if I do it this way? Then there is the communicative part of it, like, how do you frame that story about why we are doing this in a certain way? Why do you want people to engage in a certain way in a certain platform? It is quite important to know if you are doing it for your own personal gain, or do you do it for altruistic purposes or do you do it for something else. So there are a lot of levels in that, it is easier to talk about if we had a specific example of what the platform is, because obviously it affects a lot of the other choices as well.

Interviewer: Yes, for sure. I think one of the core things about this is that they are proposing is that you cannot really find best practice what regards this, because each engagement platform and company built on unique engagement platforms are all unique cases.
Interviewee: There are always going to be some learning from it, and some things that you need to be aware of. You may need to, acknowledge the difference depending on what your culture is, and what your organization is, but there are always going to be some factors that you are going to need to be aware of. That is why I am thinking, you know, there is the social, it is the communication, there is the incentive structure, and all those kind of things. The governance around it, how do you manage things, how do you make decisions. Those kind of things as a checklist are kind of universal, then, what you chose to do within that box can be very very different and there might be a lot of different ways of doing it. But, let me know if this is completely misunderstood, but in my old company, the best thing I did before I left that company and came to Accenture, I built a collaboration platform for internal use in the company for four and a half thousand people [Interviewee: wow!]. Well, compared to Accenture, that is not very big. I basically started out experimenting with wikis and that kind of stuff, and I was frustrated that I could not communicate very well with my colleagues. I could, in Denmark at the office when everyone is here on Friday, it is very easy to communicate with people, but around, in other times of the weekend, the day, how do you get hold of your colleagues? E-mail, telephone and across the desk. And as the new fresh student, I was like, well, how am I going to learn anything from this? This seems very disjointed and random in who I get to talk to and who, where I will get me knowledge from. So I started building platforms, and that's the good thing about a small company, you can just do that, so I hooked up with the CIO and we started building, experimenting and I got my own server and we installed like three different product in a row and got a little bit smart every time. And I, personally, micro-edited everything and copy-paste from one platform to another, which was very inefficient. But, at the end of that, some people from knowledge management of whole of the organization came along and saw what I was doing and said: We got to do that. So, I went on the project to build it out for the whole organization and we choose a professional product, we choose an actual platform called Jaive, which is a competitor to Sharepoint and that kind of stuff. You can share links, you have discussion forums, you have documents, you have social profile. It's like a Facebook for internal use within the organization. And so, we started building that and we started, you know, that's where I learnt about the levels, you know, you have the technical level, you have information management where it's like, what kind of information do we want, and how do we want to structure it? And you have the usability, can people, you know, get used to web interfaces instead of the email application for doing things. Once you have those things in and you thought that was really challenging, then you get to the really challenging part where you have to convince people to use it, and then, when you have done that, you get into an even more complicated thing. How do you incentivize people to do the right thing and share it in the right way, and how do you keep people engaged, contributing and collaborating

Interviewer: Decision structures and defaults in a way?

Interviewee: Yes, so you are kind of moving up in a pyramid of needs where you take of the basics first, and then you get to the top where it is like, self-realization, people doing it because they are getting something out of it, not because they think of me sitting somewhere and tapping them on the shoulder and asking them to share the document, which was what it was in the beginning. So, and then you know, it reaches its critical masses at some point where it kind of just takes over, and it is something you do because it gives you value. So a lot of things that has happened since then, because I left the company in 2011? Yes, 11. Does technologies are still maturing. We are still a company that runs on emails and on telephones, and on, physical meetings on Fridays, but there is more and more maturance of other tools,
for example, now the norm here is... you know, we have Lync [communication tool by Microsoft] internally, it is like the internal version of, well now it is called Skype again. We have that as a communication platform, and now we have a culture building around that. So I'm in a call with my boss and let's say that we are discussing new hires and people we want to recruit and all of that kind of stuff, and we decide that we have a question for HR. Back in the days, we would hang up and one of us would call HR and we would, you know, then go back to the meeting. Now my boss, who is older than me, but it is a sign that it is really becoming normal. He has that thing where he just dials HR in and he asks her to the meeting in the Lync meeting, she comes in and she is not surprised by this. She can see that, oh, so you guys are discussing this. And she can see on her screen who is in the meeting and we like, what about this and what about this and we will send you and email and he [boss] disconnects her. And then, we continue our meeting. So that is something that is like, wow! I have done that myself but I haven't seen people that are older than me and less experienced with digital tools than me. And that's where we are now. We just had a meeting that ran a little bit over, which was, I think, almost ten people where three or four of them are not in the room. But they are just as much part of it, because the rhythm of having a virtual meeting with virtual participants, we now have that. So you kind of when to shut up and you know how to make sure that people know that you are about to talk. That whole culture around it, I mean the technology has been there for years, but the culture around, the way of doing it is now maturing. That is when it took me a while to figure out on that collaboration project, because I was always in that mindset, I just wanted to share everything, I just wanted to share everything, put it put there and get comments and reviews on it. I don't mind that people can se whatever draft I am working on. Not all people have that mindset. But that is now moving towards that as ultimately get people to...

Interviewer: Like transparency and sharing?

Interviewee: Yes, of course, getting everything out there and to get feedback and comments on it.

- Break due to meeting room was booked by someone else -

Interviewer: So that was kind of a good transition to the next stage. So what we have already been touching upon is the strategic architecture of engagement platforms. And you mentioned the social organization and technical organization, or structures. What they [Ramaswamy and Ozcan] propose is that, if we look at this one [showing picture of IT-enabled technical capabilities]. The technical infrastructure or architecture, is kind of the core enabler for providing the experience, or connecting these different elements [larger elements of the framework]. Does it [picture] make sense to you?

Interviewee: Yes. So now we are talking about a specific platform, so basically a technical platform? Where we have a yeah... This is very classic.

Interviewer: It is very broad in a sense, I think it is like a general overview.

Interviewee: Yes, I mean this is a daring that I find myself drawing three to four times a week. Just trying to explain what the architecture looks like to different people and how things should be separate, because a lot of people have all this stuff mixed together. They don't have that view on separate things. We also have models where there are more layers than this. Usually you, between the application and device layer you may have a data layer, separately.
Interviewer: Data layer, in terms of structuring data or?

Interviewee: Yes. Just having the information separate from the actual application and from the device. We have that as a separate activity and a separate skills set to work with. But this is a very classic way of dividing it. Most systems, as opposed to an application, which is only some kind of functionality assistant that we work with big clients, is, you see, depicted in this way where you have different moving parts of everything and you have very different skills set. Some people know a lot about technology devices and how to make things run on actual services that use electricity and internet connection. And then you have people who are skilled in the information layer, how knows how to structure things, and you know... are we talking about, or when we say our client, or a customer, are we talking about the same thing all over the link. It can take years to clean up that kind of misunderstandings. So, you know, make everyone pull in the same direction. The application layer is where it get very, well, that is where you talk about the functionality, what can you actually do is also a different perspective. Take the product that some vendors have that are standard, and transform it into what is the actual situation, is again another disconnector. That's closely connected to both the interaction layer, which is the way in which you actually interact with it, which is both the people, and the user interface and it can be other machines and other interfaces for an application, something automated. And then, on top of that, we have the business layer. How do you actually do your business? What are the processes that you are working with? Then you, kind of, inter-relate between the different layers. You say, well, this is our current business processes, how is that supported by our applications? Do we, could there be room for more automation, for example, could we do more in this system than we currently do. Or, if you go the other way around, now we have new functions in the system that whole aspiration is kind of a basis for a lot of the big projects that we do. Some new functionalities make it possible to change your processes, or you want to change the processes, which means that you have to change your systems. And then, you have people in all these layers trying to interact with each other, and then you have this, which is kind of what you talk about here, the enterprise architecture. How does all these things talk to each other and how do you keep track of things? I usually describe it as a double loop, where you have a loop where everyone is trying to get good, and for example developing them, or running them, that depends on... you know those two very different disciplines as well. But I, I come into a project, like a big program, and trying to work on this, like a big system for it. And basically, when we are delayed and we don't know, we don't have a project plan or overview, and I come in and try to hold these things apart. What you are talking about here is data, and this is application, and you should be talking about those two things together or talking about those two things separately, coordinated, or... Something like that. And we set up a framework so that people can navigate, they have one map of what the world looks like, on a slide or something like that. And then you iterate from there. So that's one way of doing it. Or, systems are already in operation or organizations that already in operation where you say well, what part need to be changed? What is the problem that you are having here, what is the source? Well, that is... Consulting is to take an undefined problem and try to get some kind of map of the world that you can use to describe and people can understand it in the same way.

Interviewer: That was a thorough answer, I kind of lost my track here. Interviewee: [Laughs] That's fine

Interviewer: Do you see any... so, in regards to what this framework is missing. You mentioned the business layer and the data layer. In between here [the application layer and
the interaction layer], do you think the connection is pretty straightforward?

Interviewee: Yes. We usually describe it in a little bit of a different way because, these legacy application, vendor-partner applications, third party application, that's kind of... It's different categories you could say. Because, all of these, well the legacy applications, as well as, what you want in the future, or vendor-partner applications, I mean it's kind of, it's not mutually exclusive these categories. It kind of overlaps in a way. So what we usually have is, you have a picture like this where you go from business, interaction, application, data, device. And you have a current picture, your as-is picture, like "how is it today", usually with some kind of maturity indicators like, this is terrible, this is going really well and this is what we want to change. Then you have another image of the same structure with this is where we want to go. Then you have a transition plan in between those two. But all the applications that you have can be depending on the maturity and what you want to do with them, can either be legacy or something you want to phase out or something we want to get rid of. Or you want to find a way in which we don't need to worry about them so much. So that's kind of an attribute on an application. The same with these vendor-partner applications and third-party applications, in a way all applications are third-party. I mean, some of the big organizations have some that they have kept on developing for years and years and years, but there is always going to be a vendor behind it, it is always going to be a product behind it that is from someone else. So that's also an attribute on applications that have these capabilities. Then there is the aspect of time that I am talking about, which is not really here [in the picture], like from the as-is to to-be. The transition in between that's kind of an important factor as well because, you know, you really can't to see the movement, if you don't have the time aspect of it.

Interviewer: Yes, for sure. Interviewee: It is quite close to the way we are working with it.

Interviewer: Yes, but it is kind of static in a sense.

Interviewee: Yes, you could say that. You want to see the movement, you want to see what's going on. What your plan on improvements are. And well, this is the system view, this is the platform view. Then you have a whole different view of the processes internally within the organization. Like what do you do to deliver this? And then, on that, we have, you know, we have one map that we use again and again and again, for how to run an IT-organization or a software organization where it basically has two major parts, build and run. So either you are building something new or your running what's already there. And then you break it down from there, you go into the different details, so if you want to build, you have, you know, taking business requirements, taking trends in the market and trying to figure out what do we need, what functionalities do we need, does that make us to deliver? And then you have various disciplines of breaking that down into functionalities to roadmap for the year into specific projects and then how you deliver those projects in a software development project. You have a transition over to running it once it is done, and that's a whole discipline in itself, how you perfect that organization, that is supposed to keep an application running, and refreshed, takes, and barks, and errors and all of that and customer support and make everything consistent. So, this is one part of the world, the how is a different view.

Interviewer: Yes, for sure. Do you, by any...or they [Ramaswamy and Ozcan] talk a bit about dividing the enterprise architecture into three different levels, the social, the organizational and the technical, where this kind of is the technical aspect of it. Do you see any problems with integrating these different levels? In my view, the transition into how it [the technical architecture] actually accounts for the social organization...
Interviewee: Yes. I mean, that is where we are into the processes of how, so I think the social is a soft category. Because if you know how to develop this architecture, then part of it is to communicate it to the rest of the world. So let me show you something... [takes up picture on own computer]. So, I usually, I work with trying to sometimes structure an EA function in an organization, how you break that down, how you get got at creating EA, so that's kind of the double loop for the guys who are already doing a double loop, so that's where it can get really weird sometimes. I'm trying to get the architect better at, you know, creating this kind of story and overview, so for that, you have to define what is it that the architecture does, what is the operating model or the process map overview of what you do. So this is the one I was talking about [showing picture], this is the map for an IT organization where over here, you have the build and over here you have the run organization. You get input from the business layer, relationships to your clients, you take that in and you create an IT strategy, and define what services you want to deliver in the IT organization. Or, what software or what product do we want to deliver as a product organization. You take that, and you develop that in the life-cycle of the project, then you hand it over to someone who is actually going to run it. And you have all the support functions to do that, and you have suppliers playing into that as well, delivering some stuff. So, we dive in to that box and, that is the enterprise architecture box, one of the views that I am working on at the moment is, when you explore that box, what is inside, what is it that you have to do in order to be a good enterprise architecture, functioning in the company. So that would be, you know, could also be other things, but one of the view is that of these five parts: you have to be able to take the strategy that comes from above and interpret that in a coherent architecture. This is how we want to landscape, these different layers, because the strategy is like this. We want to, let's say ten percent this year, so we have to consolidate our systems, or we want to expand into a new geography, so we have to establish a whole new way of working or something like that. That could be processes, applications, data infrastructure, all those layers in some way. So you put together a roadmap, saying this is where we want to go over the next few years. Then, you monitor that in some way, you have guys saying that, how many systems are you going to have, how are you going to monitor your cost, how many hours are you going to spend on this, all those indicators that are important for the management of it. And you decide how do we want to participate in this, where do we want to make our influence. Is it when the project portfolio of... or before you project is being defined, is that where we want to make sure that the architecture is known and accounted for? Or, is it in the project, specifically when you deliveries are coming in? Or, is it when things are out in the world being run? Usually, the answer is a little bit everywhere, but you have to figure out where the priorities should be. I usually, as an architect, say, the earlier the better but that is not always the case. Then we have the assets, which is a way of keeping track of this. How do you communicate these things? How do you create a view of the world that everyone can relate to? What is structure for you information? What is your application overview? What is your infrastructure overview and this kind of thing? So, those are your assets, kind of you know, how are things now. What is your as-is picture? What is your to-be picture compared with reference architectures, what are people in the industry doing? What is the standard way of implementing a certain type of system? Like CRM, what does Microsoft say about their own CRM-product? How should that be structured? You take all of those kind of things in, this add-on, what does the world look like, where do we want to go? And what's the plan for what is coming out between those two? And then, at the end, you figure out how to communicate to the rest of the organization. Because all of this complexity, you don't want to share it, you want to share part of it. If you are participating in an IT-project as an architect, you don't want the focus to be on the architecture necessarily. You want the focus to be on the, if you're
an architect with that mindset you would want the project to succeed, also, following the architecture but those things shouldn't be opposing forces, you shouldn't come and say like, you have to follow the roads and bla bla bla, you should be seen as a service where you come in and you help them to avoid making stupid decisions down the line. And, to get that message across, that takes a lot of communication effort. You want to make sure you have the right message to the rest of the organization on why architecture is important, and how architecture is done, you want to train the right people to think in this mindset themselves, so that you don't have to reactively do all of this kind of stuff. And you will want to build a community around it, you want to make sure that you are known, and you want to have the right skills. That is the communication part of it.

Interviewer: Okay. I think I am actually done what regards my frameworks [Ramaswamy and Ozcan]. Is there anything you would like to add?

Interviewee: Could you put on your screen again so I can see it one more time? Interviewer: I guess this is the feedback loop... [points to left corner of the framework]

Interviewee: Yes. There are a lot of big words on this, some really complicated words. This is from the book?

Interviewer: Yes.

Interviewee: But for me, it doesn't have to be extremely complicated. There is a constant scroll of Twitter going by on my computer, and yesterday there was a guy trying to sum up what architecture is, and he says: it is the stuff that is hard to change later. So you want to make the right decisions some things on beforehand with an open mind and with a structure because it is going to be difficult to change down the line. So it is a little bit of, you know, when you are building a platform, my definition of a platform is something that is going to stay there for while, that you are going to build something on. You want to make the right decisions, you want to lay the right foundation and that kind of stuff. So that is why we are doing all of this structuring, it is for planning purposes in a way. That is a little bit opposed to the whole communication effort, where you kind of interacting with people, you don't know what is going to happen. And those two forces are a little bit opposed in the architecture world. Usually. Also, because, architecture comes out from a technical tradition where it is much like, if you put it down on paper and it is correct then that is the way it is. You have this idea that you can create this full version of something, which, if, you know, if people from humanity or communication, know that is not true, the world is constantly changing, subjective perspectives on everything, and you have to dive into that chaos and find the right story to be able to advance on some of these things. So those are the big opposing forces sometimes, and I think, that can be a little bit difficult to see in this kind of model. It has a little bit of that, like if you build it, you have experience, platform and an ecosystem, that's fine... But, there are a lot of other nuances of it that make things work or not work.

Interviewer: That is basically, also maybe, build for flexibility? Interviewee: Yes.

Interviewer: As you said, there is no true version. You need to be able to adapt the platform for maybe future needs or future purposes, right?

Interviewee: Yes. I think it has to be some flexibility in these things.

Interviewer: I think they [Ramaswamy and Ozcan] are trying to emphasise that but the
framework in itself doesn't really point that out.

Interviewee: It could also be an attribute of some of these things once we dive into, let's say, what is the experience platform ecosystem, what are some attributes to make that work? I think, being able to change with time, and being able to be flexible is a property of all these things that should be considered. You know, how much can you change these things after you get started to adapt to what the experience is. Like, a concrete example from that collaboration platform was, that we opened up for people to create groups, and people created all kinds of groups for all kinds of places in the organization. There was much discussion if we should let it be open, and I was just like, leave them open. Because, if you put too many restrictions on it, people are not going to come around. If you let it be open, a lot of groups are going to be started up and die but people are on the platform and they experience something. And that is the way it turned out, we got people going and then just kind of weeded out the bottom layer sometimes. You just took away the stuff that was not active and left behind. It has to be some kind of openness to the emergent properties of the platforms.

Another examples is that of, in one of these groups, some original part of the company, their communication department started up a group and they started sharing PowerPoint templates, and my communication director who is right next to knowledge management, came running into my office and said: they are sharing the old templates, you've got to delete them! And I was like: No...but you can see the profile of the guy who uploaded it, why don't you write him a message and say sorry, these are the old templates, why don't you use the new ones that we have over here? And he was like, oh, yeah, oh, okay, maybe I should do that. And he did that. And within a couple of hours the other guy had deleted his templates, which, I also could have done for him but instead he made a connection to that guy, he introduced the new templates to that guy, and you know, it was a whole different kind of thing. And so, the story is, we where talking about it afterwards, if we had not had... Or, he was like, well, why can't we put restrictions on this so that not everyone... and how do I know that not something else is uploading the old PowerPoint template somewhere? You don't know that, but, before you wouldn't even have chance to see if someone forwarded the old PowerPoint template to someone, now you at least have chance of looking at it. I can't do it in an automated way for you so that you get a notification every time but you can take a look once in a while and it is more likely now that you are going to find those kind of errors now that is all on one platform. And that kind of, I think he kind of got in the end, some people I tried to do that with, they did not get it. But that was an example of an emergent behaviour that we didn't expect. And we have a lot of good examples like that. We have a discussion thread where one person asks a very concrete question like, this and this company policy or something, and when some other person answers that question, six months pass by, someone asks a follow-up question, and the first guy who answered the question is longer with the company, so he has a little grey icon on there. But then another person comes along and answers the follow-up question. And then you like, this would never have happened via email. This conversation would have started out from the beginning tens or hundred of times in company of this size, but now you can actually see the history. Even the people who have left the company, their contributions still live on, you still get the value form that. And that is, it is such an simple example, but it really blew some people's mind, like, "oh, now I get it", you know as opposed to email.

Interviewer: And with email it is still on your private screen.

Interviewee: Yes exactly, and this is for everyone. And many of the conversation we have on
email would make sense as public conversations in a way. And that is one of the things that I see changing now. People are more comfortable because of Facebook, Twitter and all those kind of things. People are more comfortable sharing their status update, or something, you know, all the documents I am working on now are on SharePoint to begin with. I only take them offline if I am going offline. And that way of working, I expected it to go much faster, but it is slowly going in that direction. But I think that is very interesting when we are talking about that kind of stuff in general, that you have a totally different behaviour where you work in a much more open way than you previously did. And open doesn't mean with everyone, open means with more people than you did before.

Interviewer: Yes, exactly.

Interviewee: So what is the outcome of this? What is it that you are working towards?

Interviewer: I am working towards... It is always changing, what I am working towards, I am working towards exploring this [points on framework] and also look at the more practical implementation of it, like obstacles and such, because it is very free-floating and broad, and I am sure there are many many things that they haven't though about, as this is the general strategic level.

Interviewee: So the overall key question here is it how do you build an engagement platform? Is that the...?

Interviewer: I guess so, or that's one of them. How do you do it? But it is also always changing. But I am also doing interviews with Sony Mobile, and another company, I haven't really decided yet, if it's going to be a fast-moving consumer good company or putting in Novo Nordisk or something in to see what their thoughts are on it.

Interviewee: Yes. I guess you need kind of a key question or hypothesis that you are exploring, one that comes to my mind is, how to you build an engagement platform? Or, how do you build a platform that has engagement? Could be one way of phrasing it, a collaboration platform that has engagement could be one way of doing it. Then there is the IT and technical aspects of it, the social aspects of it, there is the governance, incentives, all kinds of things, different aspects of that. But that is really interesting.

Interviewer: Yes it is, but sometimes I feel like it is too broad!

Interviewee: Yes, that's true. And then you need different cases on it, I guess, how different companies are doing it differently.

Interviewer: Yes, the idea from the beginning was to do it with Sony Mobile, as I also work for them, but now, or, when I was about to start it they announced the downsizing. I don't know if you have heard? It was like fifty percent downsizing, so...

Interviewee: Yes, I think I read the headlines.

Interviewer: It wasn't really the best timing. So I had to reformulate my thesis... But I hope I will figure something valuable out from it. So, the idea is basically to take different perspectives on it, so I guess you will be representing the more technical, enterprise perspective. And then, Sony Mobile will be more the interface and experience, but also communities, and how they work with developer communities.
Interviewee: That is where it is good to have some kind of framework, like, if you talking about collaboration, if that is what you are exploring, then, you know, the next slide on this is, like, which part is bigger? Like, which part do you focus on? Depending on whether you are strategic, tactical, or your operational? Like, are you trying to figure out what you want to do in the world? Or, do you know what you want to do and are you planning on what you are going to the next six months, twelve months, you know? Or are you down to the details, like do you know what you want to do step by step? It is a little bit of the same, you know, if you have a framework for like, this is how we want to build an engagement platform, which should be, this is kind of the implementation side of it, this is the how, and on the other end, is the what? Then you can say that some companies weigh this part more than others, like some people are very focused on the technical stuff, some people are more focused on the experience part, like I am all focused on the ecosystem part. Like, a smaller company would by default be more focused on the ecosystem part because they have a smaller network inside.

Interviewer: Yes, they are probably working towards networks as a natural reaction on limited resources. I think the case with Sony is that they are trying to reach out to their communities, and partner network etcetera.

Interviewee: Whereas for Accenture, a lot of the time, the internal collaboration takes place inside, or, because, we have very specific interfaces with out clients, so we have to be prepared before hand, we have to take a lot of the uncertainties away internally before we go to the client. The interaction with the client is very set on emails and meetings and that kind of stuff. But all the other complexities take place inside, and also in a combination with emails and all of that. But, that is where out collaboration happens most of the time. So, we would be focused on building on platform but not so much the ecosystem outside the organization.

Interviewer: That is a really good point. That was something I had in mind before I met you.

Interviewee: The weighting between these different.

Interviewer: Absolutely, I really like that strategic, tactical, operational... I mean, that one is more operational [points of IT-enabled infrastructure]. they don't really have the tactical aspect...

Interviewee: Yes, I think that is something that matures over time. I mean, you create the big strategic part first, and then you, go down into the details. You usually go from a strategic level down to an operational level through the tactical level. Bu, sometimes, you, you know, you go the other way around as well. You know, you have a lot of details but, why are we doing this? You got to get up and look at the foundation for all these things.
Appendix 4

Interview guide

Name
Company
Title
Time
Date

• Tell me a little bit about yourself, what you do at Novo Nordisk and your experience within the organization?

• What is your thought on value creation? What is value creation for Novo Nordisk?

• Co-creation at Novo Nordisk?
  ○ Stakeholders?

• Explain the framework: nexus of engagement platforms, experience domain, ecosystem capability – thoughts?

• Do you work with platforms for engagement? How?

• What do you think enables your company to leverage on this way of value creation?

• What is it that has lead Novo Nordisk to work with co-creation in the way it does?

• Capabilities and resources needed to do it?

Transcript

Interviewee: Jeg heter Ole Kjerkegaard Nielsen og jeg arbejder med Corporate Sustainability der jeg er Director for et område TBL value and Impact i Novo Nordisk.

Interviewer: Topp! Du kan få fortsätta med, om du skulle igen vilja repetera vad du har för bakgrund lite sådär.

Interviewee: Det kan jag godt sige. Jeg har en forskarbakgrund, jeg er utdannet forskare på [XX] och har en utdannelse som er lite biologi, lite statistik og lite økonomi. Jeg har skrivit en PHD om barnarbete i Afrika og bodde i Afrika i fyra år. Då jeg kom hjem arbejdade jeg som medical writer i Coloplast i fem år. Og blev medicinsk ansvarligt der,
Sedan skiftade jag till Novo Nordisk 2010 och arbetade med, idéer med väredytgighet och hur man integrerar väredytgighet i den medicinska världen och in i de agenda som jag faktisk har lärt både från min PHD, mit arbejde i Afrika och mit arbejde i Coloplast...Alla de kompetenser. Og jeg idag, i mit arbejde, jeg har alltså medans jeg var på Coloplast, så har jeg en semi mmpi heter den, det vil säga, det är et, et meget fokuserat halvår hvor man har, hvor man har en lärare från Harvad, från INSEAD, fra forskelliga steden, som underviser i hvad, hvor er marketing? Hvad er kommeriellt tænkanke og hvordan gjør man det? Hvor planlægger man det? Så det är mye viktigt för alla de kompetenser jeg bruger idag... Till strategoutvekkling i Novo Nordisk.


Interviewee: Jeg kom in i min stillning som program director. Det vill säga, jag var ansvarlig för et program som jag skulle starta upp, som heter Blueprint for Change. Det er mig det har, "the mastermind" bakom det. Og nu det som var intressant var den första rapport jeg lavade, den handlade om Kina, det er meget skægt, før det, då jeg publicerede den i februari 2011 så fikk Lars Rieben tre dagar senare et brev fra en professor på Harvard Business School der heter Michael Porter. Han ville lige komme i kontakt med det team og så har jeg faktisk lavet sammen med Michael Porter et sånt undervisnings-case som han bruger nær han underviser i "shared value" på Harvard Business School. Og der var jeg over i december siste året for å starte op første gang det blev undervist i. Så det er vildt. Det er lite vildt. Han har stadig sej Professor Porter, der er sinnesykt. Så...

Interviewer: Så då gick du från specialist till...?


Interviewer: Så hur ser Novo Nordisk, eller hur ser du på, vad är value creation i er organisation eller från ditt perspektiv i hur du arbetar?

lavet en handel med mig. Det synes jeg at Michael Porter har vært i stand til at sette ord på, på en god måde, at det har mange forskellige avant?, det er noget de heter customer-centricity, Michael Porter kaller det shared value. Det jeg tænker er i varje fall, jeg sikrer mig i varje fall at nær jeg arbejder med kunder, med folk, så ser jeg, at de har mykent at... de er kloka, de vet
vad de skal, er efter. Og det er ikke nog bara for den måtte som jeg arbejder på, men også før de centrale, for hvor Novo Nordisks arbejder. Det vil sige, at der vil vara udfordringar i verlden som Novo Nordisk hvarken kan eller hvil løsa. Men, hvis de ikke blir løst, så har vi
ikke nogen foretning. Alltså, et helt klassiskt exempel det er, hvis du ser på, antal
af diabetikere i verlden lige nu, der er sikkert 400 miljoner. Det er kun, cirka, godt og vel 225
miljoner mennesker som renen faktiskt vet at de har diabetes. Det vil sige, at vi har 175
miljoner mennesker som skal identificeras, som skal finnes. Men vi har ikke nogen, vi kan
ikke gjøra det selv. Vi kan ikke laga et screening-program som finner de her mennesker, då er
vi oetisk. Så det må finnas andra sammaerbejden, intressenter, der er i verlden for at finna
desse. Og det er noget der vi er intresseret i. Vi vil gørre co-create: a den marknaden. Og det
er smart før os at gøre, hvis man ser på prisoner's dilemma. Vi er marknadsledande, och
för den marknadsledande er det ikke mening i att utvekla en marknad. Det giver mening.
Hvis du er en spelare som ikke er marknadsledande, och du på grund av att du laver marketing
expansion aktiviter, så gagnar det din konkurrent mer en det gangar dig. For os, sånn rent sett
fra prisoner's dilemma... de kender du nog godt?

Interviewer: Ja-ja

Interviewee: ...Ja, så er det en riktig god idé. Så derfor gør vi den typen av ting. Det ska man
holde sig for øye, vem er man? Så derfor, når du ska veta vad du skal göra, och så vilka
relationer du skal skabe sammen med din sammarbejspaner så er det riktig viktig, att du hvet
hvem du er och hvad du er i stand til, och hva du kan göra noget vid.

Interviewer: Vad tror du är, inom organisationen, vad tror du har lett upp till det här att man,
att ni är väldigt bra på att göra det som ni är...

Interviewee: ...på stakeholder engagement...

Interviewer: Ja, precis.

Interviewee: ...og på att håll en linje och vad det er som har lett up til det?

Interviewer: Mm.

Interviewee: Jamen, vi har ju noga eksempler på det, men det som kan synes vara start før
det er Adam og Eva, det er altid en god ting att göra faktiskt. Så den gång Novo Nordisk blev
skabt i 1923, då fikk vi, då ått August Krogh, då tog han til Toronto för det han hort noget
om at det var nogen der hade upfunnet insulin.[00:08:07] , det uppfundes -22 eller -23, för
det att hans kone, Marie Krogh hade diabetes. Og, det var ikke nogen behandling till hende.
Det var kun, verkligt dårliga behandlingsformer. Jeg vet ikke hvilken type av diabetes hun
hade, men hun hade bara diabetes, men om det var type 1 eller type 2, det vet man ikke. Han
tog det över och fikk det hjem, men han fikk det på en betingelse, han fikk lov att ta
insulinproceduren med hjem till Europa, til Danmark på en betingelse, det var att overskuddet
skulde bruges til forskning i ny medicin, och skulle bruges til allmengørende formål. Det vil
sige, der blev lavet et fond, overskuddet allerede -23, blev Novo Nordisk som fondsejet,
etablerade. Sellom det var to forskellige verksamheder som i lang tid konkurrerede blev slåt
sammen i -89 så var det stadig, for begge verksamheder, så hade den her front strukturen, for det skulle de. Så det är däri det ligger at vi har sån, så det är en helt, **det er det vi nu har som er en del av Novo Nordisk**, alltid, at vi så i, lige da Lars Rebien, blev sjef, så sagsøgte Novo Nordisk, Nelson Mandela, sammen med en massa andra medicinska, altså farmasautiske, verksamheder. Det var en case hvor vi som grådige kommersielle verksamheder, går ut och sagsöger en der har vundet Nobelsfredspris. Altså, det lignar ju ikke noget, det ser dårligt ut, ikke? Der skulle vi sån skabe os en ny måte at arbejde på. Det var i 2001. I 2004 da, eller så var det 2005, men 2004, då siger Lars Rebien vi skal sammen arbejde i forjold til å ha en tredobbel bundlinje. Vi skal simpelthen vara ansvarliga för våres miljö og vores sociale föruttryck. Og det blev så, og det begynder han så å arbejde med og så i 2005 så ryger han på forsiden fordi vi har värt korrupte, och betalt Saddam Husseins, hela hans organisation i Irak en massa pengar för att få produkter in i Irak. Og da gikk det opp for os, det var aldri den måden som vi ville drive forretnings på, det går ikke. Vi må i simpelthen få styr på vores forretningsetik och då kom det till den delen av Novo Nordisk måde at have forretnings på også, så då införde vi faktiskt det vil kallte, the Novo Nordisk Way of Management, hvor det blev inført, den gangen. Og derfor er det en verksamhed, hvor det är 40 000 mennesker idag. Du kan inte styra en verksamhet, du kan inte driva en verksamhet på baggrund af at der er en masser regler. Du er nødt til at du skal styre så stor en verksamhet på baggrund af, at det, det her, det er sån man skal upføra sig. Man skal upføra sig ordentlig. Man skal tænka sig, vi skal altid vara i stånd til at fortælla vores mor hvad som pågår, hvordan vi arbejdar. Det skal altid vara så transparent at jeg kan fortælla hvem som helst, CBS klasse, om hvad det er der vi gjør der skaber värdi. Og hvores for Novo Nordisk vêrdi, grunden til den skabelsemmodel, før at gå tillbage til dit spørgsmål, det er at det er en værdibaseret verksamhed som sikrar at værdeierne er i orden og at værderingarna er forklarade og vi arbejdar mycket før at vara sikra på at skaba værde for de intressenter som ligger runt omkring. At vi arbejdar med de problem som vi kan se skal løsas før de at vi ska se at vi har forretnings, men at vi også tar ansvar før, hvad man kan sige, er den bredare debat om, og ta ansvar for di som har, før di vi kan ha inflydelse på. Langt svar på dit spørgsmål.

**Interviewer:** Men kort i sitt sammanhang. Ja, va bra. Ska se så att jag inte tappar bort mig. Jag tänkte om man går in och tittar lite på co-creation som vi pratade om. Vad tänker du på mer specifikt när man säger co-creation? Vad är co-creation?

**Interviewee:** Får mig?

**Interviewer:** Ja precis, bara så att vi vet hur vi kommunicerar.

**Interviewee:** Ja. Vi har faktiskt lavet en guide, i en guide som heter social partnership guide. Jeg kan prøve og visa den.

**Interviewee:** Ja, gärna.

**Interviewee:** Det er en guide som vi lige har fået lavet nu her, og er i gang med og skal rulla ut i første januar. Jeg skal æven sænda den til dig i efterfølgende.

**Interviewer:** Ja, det får du jättegärna göra. Om den får visas.

**Interviewee:** Men det er en guide som vi har lavet som, hvis du liker den lite mindre så kan du se hvad som står. Men i grunden så er det en guide i hur vi går in och arbejdar med, at vi har en partner för att göra något ting, en partner för att göra ting bedre. Og det det tittar tilbage.
til er det som vi ikke kan løse selv. Vi skal løse det i partnerskab med nogen. Og det som vi har sagt, at når det er godt partnerskab så er det "beyond self-interest" og "in-it-together". Det er de to, som man sige, "advice". Når vi skal snakke om, hvad kan de vare før nogle område, der kan vara "awareness", og "advocacy", der kan vara "knowledge-building and learning" og det kan vara "action on the ground". Det er de stede som vi kan lave partnerskab på. Når vi skal siga, hvad er der før nogle principer det liger till bakom før det, det er at vi skal sammen gøre en ændring, vi ska sammen ha transparen og tillit til henannan, og vi skal vara i stand og måle performance og impact sammen på en måde vi er enige om. Og så har vi lavet en sådan checklist på hvordan man gør det. Hvordan vi laver "together for change", hvordan vi skabar "trust and transparency". Og så, hvordan vi laver "tracing performance and impact". Det er "in essence", den guide som alle i verksamheden kommer til at arbejde med. Alle runt dig arbejdar med sånt som sker i partnerskab, og det kan vara allt møjelig. Og vi kan se at de hær starter med at våre et socialt issue, det er noget der vi skal ha løst. For eksempel, det er at halvdelen, eller 175 miljoner mennesker på hela jordklotet ikke er diagnostiserade. Det er et socialt problem. Det er ikke någet vi fonder ut ad som verksamhed lige nu, men vi kan se på sikt så blir de insulin kunder, og derfor er det en god idé før os, og også før dem at ingå i behandling. Jeg skal bara sende den til dig.

Interviewer: Det får du jättegärna göra, gott.

Interviewee: Den er ikke færdig.

Interviewer: Nej, men det är en bra grund ändå. Toppen. Om man tänker...

Interviewee: Har du läst hvores Blueprint rapporter?


Interviewee: Ja. Hvet du hvor du kan finna dem?

Interviewer: Ja, eller på hemsidan hittade jag några?

Interviewee: Ja, der liger også en video, til Indonesien. Indonesien har en lille video.

Interviewer: Jaha, Indonesian har jag inte läst ännu faktiskt.

Interviewee: Indonesien får du går in och läsa, det er faktisk en god lille video omkring værderinger og grundtankarna... Altså, det liger allesamen her [visar på datorn]. Jeg kan anbefalla, gå in och läs den här och "read more".

Interviewer: Ja.

Interviewee: For di er også en lille video som faktisk beskriver riktig godt hvordan det gerne er vi vil arbejde.

[Playing part of video from screen: ...Indonesia is a country with a sound economy, and increasing living standards. At the same time, we see an excellerated growth in the number of people with diabetes. Today, 8.6 million people live with diabetes. Less than half of those are aware of their condition, while the majority of those diagnosed receive treatment, less than]
1% achieve treatment targets. This is what the rule of halves looks like in Indonesia. This is increasingly becoming a burden on families and societies...


Interviewee: Det gör vi ju också. Bland annet, ner vi utvikkle den produkten FlexTouch. Og det er en produkt hvor man har brugt rigtig meget tid sammen med pasienten, simpelthen. Vi har et helt team med antropologer som siter og arbejder med værde, værde for kunder. Vi laver også en penna til injektioner i vores produkter. Det kræver rætt mye kraft fra tummefingren

Interviewer: Ja, just det så gör den det lättare... Jag tror jag läste något om den att den är lätt att injicera.

Interviewee: Ja, men den här FlexTouch den er otrolig lätt och trycksam. Og en av de ting som sker när du har diabetes er att du får också gigt.

Interviewer: Jaha, ja artros. Min farmor hade diabetes så jag är bekant med det.

Interviewee: Ja, og de kan næstan ikke bruge sine fingrar før de gør så ont. Så de at trycka sammen, hvis du har hevede ledd, så er det meget svårt. Så derfor, ju lättare tryck du kan få...
Og det er fantastisk svårt att lave de der produkterne. Men der vi såg, det vi gikk in og såg, det är det här kunder behöver. Det är det vi kan se via vored antropologer og va di siger og hvad de siger konstant. Vi har 4-5 antropologer der arbejder hela tiden med hvad der er kunden har behov för, hvad er det kunden har behov för?

Interviewer: Dem [antropologerna] är ute då hos patienter och på sjukhus eller?

Interviewee: ja exakt. De arbetar hela tiden med dypgående-intervjuer, hele tiden med hvad værden der er og så... Det är en måte. En annan måte der är att vi har ett mycket stort team som laver market research, som både gør kvalitativ market research men også kvantitativ market research, som undersøger hvad der er der før några behov patienterne har før vi begynder å möde dem. För eksempel, när vi ska igang med att utvikle et nyt blöder produkt, eller igang med att utvikle et [00:20:03] produkter, eller något annet, så har vi [00:20:06], er det her, hvad er deres behov? Er det de udfordringar der med [00:20:15] produkt der er at, produkter generelt set, at det er dyre produkter, og hvem har råd til det? Altså, det er en av de ting som vi tænker riktig meget over. Hvad er der, eller, hvad kan vi få betalning for? Vi kan ju lave hvad som helst, men hvis vi ikke får betalning før det så skal vi ikke lave det. Så det er mange innovations-idéer der vi ikke hvil lave før det att selva løsningen blir så dyr at de der hvil betale før den er alt før få. Og så [00:20:45]. Så der er några av de tankar man ska avväga.

Interviewer: Det är mycket svårt.

Interviewee: Der er mycket svårt.[00:20:50] det här medicinska behov, det kommer aldrig till att bli lyftet. För det att der er inte någon der vil betale för det. Og det er några av de dør ting der man vil sige, okey, er det verkligen sån, ja men det er det. Og det er
fulstændig, [00:21:02], det går at betale sig. Man ska husk når man tænker på, eller når vi kommer med nyt medicinsk produkt, så är det 20 år [00:21:13]. Altså, fra det at man har en første idé til at du får grund til at sælje produkten så er det mellan 15 og 20 år.

Interviewer: Har produkten varit klar ett tag innan ock så är det för att få tillåtelse lansera den, eller hur?

Interviewee: Jag må næstan prøve og visa dig så at du kan forstå det. Förr det är faktiskt rätt vild, faktiskt. Jeg skal bare finna presentasjonen her og visa hvad vildt det er. Förr det tror jag det är mange der [00:21:56] produkter. Men, nu skal vi se her... [shows and explains a picture from a clinical research report that presents the product development process taking 15-20 years]. Det her er åtta år, plus fem år, og så plus noge mera men det gør man... det der er så mange mennesker, nej molekyler, der man testar, man testar upp til 10,000 molekyler var gang man kommer ut med et. Og hør laver du dyre forsøg, her laver du en massa test. Så går du ut og så laver du klinisk forskning hvor du har upp til 10,000 mennesker der har prøvet det her produkt, i forskellige faser, ett, to, tre, fyra. Her prøver man [step 1], er det færdigt? Dør du av det? Så det er någre mennesker der siger, ja, jeg vil gærne prøva det.

Interviewer: Så det finns personer som är villiga?

Interviewee: Ja, ja. Så er der någre som prøver det i fase 2, før at se, virker det? Det er det man testar her. [Step 3] Det her er der, hvor lange virker det, hvor lange virker komplikationerna? Og sedan så får du det godkjent. Og sen i fase 4 så ska man følge de efterfølgende, og her kan det vara upp til 10,000 mennesker igen måske 20 eller 30 tusen. det er derfor når man snakker om bekostelsen her, det kan koste en miljard dollar at utvikla en produkt.

Interviewer: Ock då är det bara utvecklingen och inte själva produktionskostnaden?

Interviewee: Nej, det är bara utviklingen. Så det är sån när man snakker om den pharmaceutiske verlden[00:24:21] ,hvaad kommer hele her ut av. Vi er vant til det, vi er vant til at orientera os ut til hvad som utgår her ut. Det er derfor at mange pharmaceutiske verksamheder værarna myket om at sustainability er viktig. [00:24:33] av vår linje at det ska man ha en hållning til. Förr det, vi er vant til at i hvores måte til at tænke på at vi tænker icke på vad der förgår till näste år. Jo, det gør vi også, men det vi har styr på det er fyra år, fem år. Vi tænker på hvad vi skal gjøra om 20 år, før det skal vi gøra også. Alt det her, alt det her det ska vara klart till at hantera behovet om 20 år.

Interviewer: Det är planering.

Interviewee: Ja, du skal vara klart till at fejla, du ska vara klar till at begå fejl. For det, du kan sige at du kommer fra 10,000 molekyler til et drug. Det vil sige, du skal fejla 9,999 ganger. For at lave en succé. Så det er derfor når man snakker om at du måste ha en verksamhed som ska ha nullfejls-kultur, det skal du ikke i den pharmaceutiske verlden. Det ska du vara i stånd til at "fail fast".

Interviewer: Ja, gör om, gör rätt? 10,000 gånger.

Interviewee: Ja.
Interviwer: Det är en helt annan, vad ska man säga, tankesätt både produktutveckling men också i den här första fasen, det går ju inte att...det är helt research-beroende.


Interviewer: Finns den med där, den bilden?

Interviewee: Ja, den finns med der i den Blueprint också. Den liger på same stede som det som jag sjöndt till dig, jag sjöndte her en link till dig. Jeg har sjöndt to mails till dig her. Så ser du der er en link och så hvis bare du går till den som heter Diabetes in Indonesia så går du bare op, lidt op, en nivå op, undskyld, det tror jeg man kan göra. Undskyld, vi skal se om det går... Så, gå bare in och klik der. Den er riktig go också.

Interviewer: Det låter perfekt, toppen, tack. Jag tänkte att vi kan gå vidare och så kan jag introducera den här så att får en liten insikt i hur det här ramverket fungerar och så pratar vi lite om det och hur... dels vad du tänker kring det, och så och sen...

Interviewee: Jag syns vi skal [00:29:24] för vi har [00:29:24] och så har vi fem minutter till [00:29:27], skal vi siga det?

Interviewer: Ja.

Interviewee: Godt.

skapa engagement det är för att dem säger att, värde, för dig som individ, för dina stakeholders, eller företagets stakeholders, klienter, eller patienter då, kan vara investerare, kan vara vem som helst, är att det är deras experience som gör att det skapas värde. Så att det är patienter, till exempel, med FlexTouch och upplevelsen av att använda den, beroende på då kontext, eller kanske mer funktionella aspekter...

Interviewee: Men det er riktig, alt value er perceived value. Sån er det.


Interviewee: Den er svært at forklara. Og det her er min "take" normalt på ting der er svære at forklara, at det er [00:33:03] forklara at [00:33:04] det [00:33:05] tænkt. Og, det er enormt svært at lave et komplett diagram over en verksamhet. Det er næstan omulig. Det er alt mutligt, der liger i det. For di...Er det value-based eller hva er... Altså, det er sinnesykt komplicert. Og derfor tror jeg man må velge sine, og det tror jeg også kan vara en ting som du kommer overvæje at gøra i din opgåva, at sige, kan vi sige at det er nogen av de her som er vigtig, altså, omkring, vi siger at det er omkring at skapa værde, hvordan organisationer skapar værde, der hvad jeg tænker. Det er, det... Det vi vet fra forskning er at sikre 4% av organisationers værde er intangible value. Altså, det er [00:34:09] værde. Og den måte som man [00:34:12], det er at mange organisationer ikke har styr på hvordan de får ut den här intangible value. Og derfor, tænker jeg, hvis man ska göra någonting konkret, ja men, alla de hær orden, som er sagt og brugas [pointing to the framework] och hvis jeg skulle fokusera på någonting så skulle jeg fokusera på intentionality. Før den kan vi intentionally arbejde med, med den her meta-værde, den her ikke physical asset, eler non-physical assets. Og gora upbygningar mer intentional. Før hær, dette fulle upplægg, som er meget inspirerende men endå ikke så inspirerande før det at du vet ikke hvordan du skal gøra det hær [the framework] "actionable".

Interviewer: Exakt.

Interviewee: Hvad er som man skal gøre? Og, det man kan göra at man så kan facilitera, så som du er her för mig, [00:35:16] och det som jeg har hört det tolkar jag tillbaka i någre av de hær orden her [00:35:19] som har varit mycket viktig.

Interviewer: Mm, det är nog lite så som jag har tänkt. I min uppsats så har jag valt att ganska mycket att fokusera på det vertikala [in the framework] och främst den här punkten [engagement platform and experience domain]. Men sedan så är det en sak som inte syns i modellen, det är att den också är multi-dimensional. Det är dels en individuell aspekt,
sedan så är det grupp-aspekten och sedan så är det företags-aspekten eller organisationen. Så det gör att det blir svårt att mappa ut, men man får välja sin dimension.

Interviewee: Men den här kommer den direkt från boken?

Interviewer: Ja, direkt från boken.

Interviewee: Jeg tænker, det ær det problemet [00:36:10] det ær altså... har du någonsin læst the Hitchiker's guide to the galaxy?

Interviewer: Jag var nog väldigt liten när jeg låste den, det var en skolbok.

Interviewee: Jeg tænker, det ær det problemet [00:36:10] det ær altså... har du någonsin læst the Hitchiker's guide to the galaxy?

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Interviewer: Jag var nog väldigt liten när jeg låste den, det var en skolbok.
Interviewee: Men transparency det er ju inte bara [00:40:04], det er något vi jobber med konstant. Altså, [00:40:07] inte är transparenta. Som verksamheter helt generellt set i världen, altså, taxing, der pröver vi att bli mye mer transparenta som muligt, men man kan ju inte vara helt transparent. I den måte vi er fullt transparente det er omkring hvores klinisk forskning. Altså, men det er nær det kom her før nogle år sedan, at lægga alle [00:40:31] fram, før alle. Eller for [00:40:33], så det er ju en "ever-moving frontier". Så det er bare et område som har vuxit. Nuvet jag inte hvad som menas med "reflexivity"? Eler "access" eller "dialogue"?

Interviewer: Access handlar om att det ska vara lika tillgång till information.

Interviewee: Jamen, det har vi ju snakket om att vi gör hvores produkter tillgänglig till mye låga pris i U-länder, så har vi ju det att det er mye konkurrence med produkter som ikke er riktig så god som vores, så folk köber kan bare välge att köba konkurrencens [00:41:25].

Interviewer: Och "reflexivity" är, det är hur man tar till vara på kritik, och utrymme för reflektion på det som skapas och sådär, och hur man sköter...

Interviewee: Det er myet spännande hvordan vi tar emot kritik. Altså, det er ju der [00:41:49], der kommer jeg med några eksempel på, hvor, altså, vi gjør ting forkert, vi liger ikke skuld på at vi gjør ting forkert någon gang. Altså, jeg tror man skal vara myket opmærksom på [00:42:02], men[00:42:04] og organisationen. [00:42:09]

Interviewer: Dialog, det är att upprätthåla dialog med alla, och kanske också att initiera dialog och bjuda in alla till att delta.


Interviewer: Tror du att det finns vissa resurser som Novo Nordisk besitter som kan ha en påverkan som gör att ni faktisk har lyckats göra, eller jobba på det sättet som ni gör, så kanske om du jämför med en mindre aktör eller någon annan typ av marknad?

Interviewee: Jeg tror nog hvores værdegrundlag, jeg tror det vi har [00:43:24] av grundlagen det er den grund til at vi lyckas. Altså, vet ikke om du du såg, at Lars Rieben blev lige sagt til at va verldens bedste CEO, men det var for de vi har [00:43:34] 20% der ikke gjorde det. VI har de lengsta [00:43:40], og det tror jeg er grunden. Det er for det at det er en differentiator. En typisk klassisk differentiator för hvordan vi skapar värde, det är att vi har en balanserad tillgång till det. Vi går inte bara efter shareholder value, nagon ganger gör vi annorledes. Lars Rieben han siger hvis en tidpunkt, jeg har innført en [00:44:01], før det [00:44:03] kan jeg ikke blir [00:44:06] "to be against my fiduciary responsibilities to my shareholders". [00:44:14] Han kan [00:44:14] jeg har gjort det her, før det at det er smart för mines stakeholders. [00:44:21] ikke altid gå efter quarterly profits, før det at han har [00:44:25] till sin [00:44:27], at jeg gör som jag menar er riktig. Och det kan ikke komma efter han og [00:44:34].

Interviewer: Ja, det är nog något som är väldigt specifikt för Novo Nordisk.
Interviewee: Ja men det er meget smart, før det er mange CEOs der ikke har det der. [00:44:43] To be accountable for your fiduciaries is your responsibilities.