

In a nutshell: Value co-creation practices and capabilities across B2B systems

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Original

The paradigm of value co-creation in business markets is now well established in the marketing literature. However, the practices and capabilities for collaborative value co-creation are less understood, particularly in increasingly boundary-less interorganizational, network and ecosystem relationships. This paper describes sets of practices that organizations in business markets adopt to co-create value. [...] In this study have aimed to bring theory and practice together by developing a framework that deconstructs the underlying co-creative organizational capabilities and integrates them with the practices to demonstrate how these are intertwined, showing how sustained purposeful engagement lies at the heart of the co-creation of value. To be as specific and illustrative as possible, we have investigated and classified the co-creative activities of four case study companies, thereby not only reflecting on how these organizations successfully realize joint value creation across their respective networks, but also offering insight to help other firms in their quest to engage with customers and other partners in more meaningful and effective interactions. While it has always been evident that the co-creation of value is not easy to achieve in practice, our study shows that sustained purposeful engagement across B2B systems can only be established through careful and strategic calibration of the underpinning co-creative interaction capabilities and practices of all actors in the network. We believe that our study, and its resulting framework and classification of capabilities and practices, make a step towards offering insight into the implementation of value co-creation by encouraging practitioners to consider how the identified constructs can be employed and effectively combined in their own organization and across the B2B networks they operate in.

Overall, we conclude by arguing that co-creation is seldom an organizational capability fortuitously developed, but the result of sustained purposeful engagement, that is, a purposefully planned, highly engaged response to triggering events perceived as significant, sustained over time.

Key statements

B2B companies are increasingly involving their customers in the development and design of products and services. The associated activities are therefore no longer confined to the supplier but are carried out in a collaborative and dynamic environment. This arrangement for shaping the service together is called co-creation. In the study at hand, the authors used the examples of four case studies in order to examine what basic skills and practices companies should have in order to make co-creation a reality together with their customers. In addition, they also demonstrate what companies need to keep in mind in order to successfully implement co-creation:

1. **Rethinking the concept of value proposition:** Since the value proposition only arises in the interaction between the supplier and the customer, the approach of value communication must be reframed. In order to do this, the focus must be placed on what advantages arise from the cooperation. Incentives might include flexible contracts and performance-based agreements.
2. **Sharing the risks and the rewards:** It is often very difficult to assess risk and value in advance. In particular, if the risk of collaboration appears to be higher than the expected benefits, all participants involved should have their risk hedged. At the same time, it must be ensured that all parties participate in the success of the venture to an appropriate extent.
3. **Expanding customer expertise:** In order for it to be possible to find a suitable

solution for the customer, the sales staff need to be able to understand and correctly grasp the customer's needs. This requires a great amount of proactivity and sure instincts in dealing with customers. In this context, knowledge of the customer can become more important than knowledge of the product.

4. **Internal repositioning of sales:** Once a solution has been developed, sales representatives must be able to manage the provision of services for the customer within their own company. Extensive coordination between Sales and other departments involved (e.g. R&D, Operations) is needed for this.
5. **Bolstering social networks:** Co-creation takes place in constant interaction between numerous contacts on the customer and supplier side. Dealing with each other in a trustful manner and close social relationships are key to the success of the collaborative partnership. Regular opportunities for informal exchange (such as in team get-togethers and off-site events) strengthen the cohesion between the stakeholders involved.

Source:

Marcos-Cuevas, J., Nätti, S., Palo, T. & Baumann, J. (2016). Value co-creation practices and capabilities: Sustained purposeful engagement across B2B systems. *Industrial Marketing Management*, 56, 97-107

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