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von Becker, Suvi

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Suvi von Becker
Talentree Oy, P.O. Box 1188, FI-70211 Kuopio, Finland
suvi.vonbecker@talentree.fi

Suvi von Becker is a business Consultant at the Consultant company Talentree. She is a Master of Science in Technology who has expertise in building quality management systems for different kinds of organizations and businesses. She is also a coach and is now doing her PhD at University of Eastern Finland at the Department of Business. She is interested in areas such as value co-creation and participative development projects in companies.

Eeva Aromaa
University of Eastern Finland, Business School, P.O. Box 1627, FI-70211 Kuopio, Finland, eeva.aromaa@uef.fi

Eeva Aromaa is a Postgraduate student of Innovation Management at the University of Eastern Finland. She is interested in research areas such as innovation and practice theory. Her previous work experience includes consulting in human resources as well as health and safety issues in the steel industry and a wide range of SMEs.

Päivi Eriksson
University of Eastern Finland, Department of Business, P.O. Box 1627, FI-70211 Kuopio, Finland, paivi.eriksson@uef.fi

Päivi Eriksson is a Professor of Management at the University of Eastern Finland. She is interested in research areas such as strategy, innovation, gender and qualitative research methods. She has published research in a number of scholarly journals and co-authored a book titled ‘Qualitative Methods in Business Research’ (Sage 2008).
Abstract
The case study focuses on co-creation and co-destruction of value taking place in the Consultant-Client interface. Drawing from the service management literature, the case study elaborates on how business consultants work together with their client companies in order to design a joint sphere in which interactive value co-creation can be implemented. While consultants and their clients aim at generating new value, they can unintentionally end up co-destructing value. Through the analysis of the Talentree-POK case, the paper elaborates on the process through which both value co-creation and value co-destruction take place. Furthermore, the paper provides a diagnosis of the main problems related to the design of the joint sphere and value co-creation within it. Finally, the paper provides recommendations on how these problems can be solved.

Keywords: Consulting, co-creation, co-destruction, joint sphere, consultant-client interface

Introduction
The case study focuses on co-creation and co-destruction of value taking place in the Consultant-Client interface. While the Consultant-Client interface has been studied from the relationship point of view (e.g. Bagdoniene and Jakstaite, 2008), there is little research on the various ways in which Consultants and their Client companies can work together in order to co-create new or increased value for the Client’s business operations. Furthermore, there is hardly any research on how co-destruction of value takes place (for an exception, see Echeverri and Skålén 2011).

Previous conceptual research distinguishes between two major types of value formation. The first type, non-interactive value formation, indicates that value is first produced by the service providers and thereafter is consumed by the customers (Bagozzi, 1975). The second type, interactive value formation, indicates that value is co-created through the interaction of the service provider and the customer (Prahalad and Ramaswamy, 2004; Ramírez, 1999; Vargo and Lusch, 2008; Lambert and Enz, 2012). In our case study, we are especially interested in the latter type of interactive value formation, which may not always take place. Therefore, co-creation only takes place when the parties influence each other, that is, when they interact in some kind of joint sphere (see Figure 1).

![Figure 1. Value Creation Spheres (Grönroos and Voima, 2013)]
When interaction takes place, it is possible that instead of value creation, value co-destruction is unintentionally pursued (Echeverri and Skålén 2011). When this happens, the Consultant-Client interaction is dysfunctional to the extent that it destroys existing value. In this case, the Consultant-Client interaction may result in a negative rather than a positive outcome. In our case study, we pay attention to both value co-creation and value co-destruction practices. Whereas the former is actively sought, the latter can be pursued unintentionally.

Objectives

The case study has three objectives. First, we aim to show how co-creation and co-destruction of value took place in the Talentree-POK case. Thus, the interacting parties engaged in co-creation and co-destruction of value are two Finnish companies: a young business consultant firm, Talentree Ltd. (hereafter Talentree) and its client company, a family firm called POK Group Ltd. (hereafter POK), which offers electricity distribution solutions for business-to-business and consumer markets. Second, we illustrate how the joint sphere of interaction, which was needed for co-creation of value to take place, was designed in the Talentree-POK case. Finally, we diagnose the main problems of Consultant-Client interaction from the value co-creation perspective, and discuss how the problems could be solved.

Methodology

The practice-based perspective to Consultant-Client interaction requires the use of qualitative research methodology, which allows for inductively oriented analysis emphasizing interpretation and understanding rather than the testing of a pre-given proposition or hypothesis (Aromaa and Eriksson 2014). The Consultant-Client interaction in the Talentree-POK case focused on the development of a new Quality Management System for the client company. The data collection for the case study was carried out in three phases. First, video data was collected from the Quality Management System Workshops organized by the consultant company Talentree Ltd. Second, for each Workshop, the client company’s employees were asked to write down their expectations before and after the Workshop. Third, the Talentree consultant wrote a self-reflective diary in which she reflects and explores the developing project and its individual Workshops from the consultant point of view.

Videos and written materials from the Workshops as well as the diaries of the Talentree consultant were analyzed with the qualitative content analysis method (Eriksson and Kovalainen 2008). The analysis focused on the value co-creation and co-destruction practices as well as the design and implementation of the joint sphere in which value co-creation and co-destruction can take place.
The Talentree-POK Case

The case partners

Talentree Ltd. (hereafter Talentree) offers consulting, training and outsourcing services for its Client companies. With its services, Talentree aims at improving abilities for growth and development in Clients’ businesses together with the Client. The idea is not only to give expertise but also extra hands for busy entrepreneurs and leaders. At Talentree Consultants believe that the Client has the best knowledge for their own business and business area, but the Consultant can bring knowledge and tools especially for business development and growth and therefore help the Client reach further than he would go by himself. For this reason, Talentree is not specialized in any specific industry but has named its target segment as “companies that are willing to grow.” Talentree is principled in the way it is lead and this also translates into how the businesses of Clients are developed. Talentree routinely recommends including its personnel in the developing projects at least somehow, and has actively researched different ways to execute this with different Clients.

POK Group Ltd. (hereafter POK) is a family firm offering electricity distribution solutions for domestic business-to-business and consumer markets. The company has carried out a merger with a smaller competitor and it has ambitious growth objectives. POK has been a client for Talentree for a couple of years before the Quality Management System Project.

Starting points for the Quality Management System Project at POK

Prior to starting the Quality Management System Project (hereafter QM project), Talentree had already co-operated with POK in order to develop POK’s business strategy a few years ago. During this process, Talentree’s consultants and POK’s board of management had jointly recognized several operative problems, which should be solved in order to enhance business growth. Collectively they decided that solutions would be sought through the design and implementation of a new company-wide quality management system. The chosen Quality Management System was based on process thinking and it was built according to the ISO 9001:2008 standard. According to the standard, company operations are understood as processes, which must be made explicit for managers and employees alike. The ISO 9001 standard is based on the idea of continuous improvement and, therefore, the main focus at the beginning was to describe the company operations and processes in their current form.

Many consultant companies follow the ‘waterfall’ metaphor according to which business development projects such as Quality Management Systems are first introduced to the managers and only thereafter to the employees. This is why implementation is typically met by resistance from employees as it usually means new demands without much of an opportunity to affect them or understand why changes are introduced. Talentree did not think this was the best method for this case. During the strategy project, Talentree consultants made an effort to convince POK Managers that making space for personnel to participate would make a
difference in terms of business development. Although participative leadership had not been much practiced at POK, their managers agreed to take this route.

The QM Project as the joint sphere for interaction

In the Talentree-POK case, the QM Project formed the joint sphere for value creation. The QM Project began with a major planning phase in the autumn of 2013. The Talentree Consultant together with POK Managers wrote down a need specification, planned the methods to be used (e.g. business development days, mind storming, performance appraisals) and prepared a project plan. According to the plan, POK Managers first made a quick update of the company business strategy, which was then discussed with the Consultant to get some feedback. In the feedback meeting it was agreed that the POK Management Group would introduce the strategy to other key actors at POK and, thereafter, the Consultant would use the QM Project for the purpose of involving the rest of the personnel in strategy implementation.

The main part of the QM Project focused on the identification and visualization of POK’s key processes. In the first phase, the Consultant and POK Management Group produced an overall Process Map visualizing the key operations and processes of the company. In the second phase, the Consultant and POK’s personnel worked together in a series of Process Workshops in which a visualization of each key process was collaboratively created. It was the Consultants’ task to prepare the Process Workshops including objectives, methods and exercises to be used, and to facilitate them. In the Process Workshops, the Consultant’s role was to give instructions, facilitate the conversation, consistently apply the chosen method, encourage and challenge the participants and make sure that the quality management perspective was taken into account throughout the working phase. In addition to outlining the processes in their current form, the Consultant’s aim was to encourage personnel to produce innovative ideas for the improvement of each process. Personnel from different levels of the company were involved in various Process Workshops. Both people who were specialists in the subject (the people who actually do the work in question) and people from the relevant neighboring processes took part in the Process Workshops.

Within the QM project, the Process Workshops were most critical in terms of forming the joint sphere for Consultant-Client interaction. In the following sections, we describe two of the Process Workshops in more detail with the aim of exploring the dynamics of value co-creation and co-destruction.

The Production Process Workshop

Participants in the Production Process Workshop included two Production Managers, one Inspector, a Design Manager, one Supplier, and a Storage manager. Most of them had already participated in other Process Workshops and were familiar with the Consultant’s way of working. Only one participant working in Product Inspection was a first timer who required more encouragement for active participation. The Workshop started with the Consultant
describing the way of working and the objectives of the Workshop. After this participants wrote down their expectations for the day. The Consultant asked all participants to share something about themselves and their work at POK in order to make sure that everyone, including the Consultant, knew each other’s roles in the company and which point of view they were representing in the Workshop.

During the four-hour Workshop, the participants collectively identified the main phases of the Production Process and then visualized the whole process with post it notes. Single post it notes were used to describe all production-related activities and their actors as well as the documentation involved in each activity. Placed on a large white paper on the wall, all post it notes together created an image of the Production Process at POK. The Consultant also encouraged participants to brainstorm new ideas concerning improvements to the Production Process at any point of time during the Workshop. The participants wrote down their improvement ideas on post it notes, which were of colored differently to those used to represent the Production Process.

During the Workshop, the Consultant let the participants be the experts and made an effort to keep their energy levels high. To keep the participants active and moving, they themselves wrote all the post it notes and placed them on the wall. The Consultant’s main job was to facilitate the conversation with asking questions, and to keep the process focused. This was challenging to do without dampening the atmosphere and lowering the energy levels of participants. While the participants were motivated to discuss some aspects and problems of the Production Process in great detail, the Consultant’s job was to keep the conversation moving and also make sure that there was space for improvement ideas to emerge. When planning the Workshops, it had been agreed that all new ideas would be shared without criticism and this principle was followed through in the Workshop.

At the end of the Workshop, the Consultant and the participants discussed the details of the visualized Production Process and any ideas for improvement. The Consultant used different ways to ask if all participants were content with the results or should something else still be added to them. In his stage a few changes were made, such as moving some post it note to another place on the wall. At the very end, all participants wrote down how their expectations for the Workshop had been fulfilled. The feedback was generally good although some participants were worried about how to transform the ideas for improvement into action.

The Design Process Workshop

Participants of the Design Process Workshop were two production managers, one supplier, a design manager (head of design), a sales manager and all seven designers working at POK. The Workshop began in the same way as the Production Process Workshop and all other Workshops. Although skeptical at first, the participants were able to produce expected results in terms of visualizing the design process in its current form. Several problematic issues were identified when making the visualization but, according to the method used by the Consultant, they were not supposed to be addressed at this point. The next phase concerning the ideal
process went smoothly as well was although the participants had different visions of how they saw the design process at its best. This phase was a turning point in which value co-creation was transformed into value co-destruction. Due to varying and even contradictory visions the objectives of the last working phase concerning new ideas for improvement were not clear to the participants. As a result, the last phase of the Workshop was becoming rather messy and loaded with negative feelings.

In order to lead the participants into a more positive interaction, the Consultant introduced the following exercise. She asked every participant to write down things that are different when they compare the current design process with their own vision of the ideal process. The participants were asked to write down one difference on a sheet of paper and then hand it over to the next person sitting in the same table. Then the Consultant asked the participants to look for one problem in the suggestion on the paper to which they then suggested a solution. Finally, the Consultant asked the participants to gather a few of the most important solutions, which, in their mind, would be most efficient in improving the design process.

As the participants worked in silence during the exercise the Consultant did not know what they wrote on the papers. It seemed that that interaction between the participants changed from arguing to a more constructive way of working. Surprising the Consultant, it turned out that the silent exercise did not eliminate the negativity between co-workers and resulted in some writing insulting and even rude comments on the suggestions. Opposite to what the Consultant aimed at with the spontaneous and corrective exercise, it continued the production of bad energy and confusion among the participants. Despite the good intentions of the Consultant, the summarizing conversation in the Workshop was focused on aggressive arguing between the participants. At this point, the participants paid little attention to the Consultant who felt like an outsider in the difficult situation. The Consultant had not expected anything like this to happen. At the end of the Workshop she was as confused as the participants, but still tried to lead the conversation and find a way to end the Workshop in something more productive. Finally, she let the conversation continue for a while because she considered it to be important from the point of view of the participants to resolve the situation.

There was still one more surprise in store for the Consultant after the Workshop had ended and she had left the company. She found out that over the next few days after the Workshop there had been an intense discussion via email (inside the company, in which the Consultant was not included) concerning the results of the Design Process Workshop. These email discussions lead to a series of conversations between the Consultant, the CEO of POK and the HR-manager at POK. In these conversations, the objectives and problems of the QM Project were made even more explicit and resulted in an increased understanding between the Consultant and the POK management.

**Diagnosis**

In the Production Process Workshop, interaction between the Consultant and the participants from the personnel was smooth and efficient. Through interaction, new value for POK’s
business development process was co-created in three different ways. First, both the Consultant and the participants generated an in-depth understanding and visualization of the Production Process in its current form. Second, during the visualization process a large amount of new ideas were generated on the basis of which the production process could be improved considerably. Third, participation of personnel in the QM Project lead to useful results. During the Workshop the participants were energetic and active and pursued a constructive way of communicating with each other and the Consultant. As a result, all parties were satisfied with the results of the Production Process Workshop and the Consultant felt that new value was produced in a truly collaborative manner.

In the Design Process Workshop, interaction between the Consultant and the participants from the personnel was pursued according to the Consultant’s plan in the beginning of the Workshop. At this stage, the Consultant was satisfied with the degree of value that was co-created in terms of identifying the current process although there seemed to be a lot of different types of problems in the process in its current form. However, towards the end of the Workshop communication between the participants themselves and between them and the Consultant became unpleasant and far from constructive. This turn-a-round from positive interaction into negative came as a surprise to the Consultant even though she was aware that there were underlying and pre-existing issues in the company in the relationships between the designers and their supervisor, as well as between the designers and sales personnel. When noticing the change from value co-construction to value co-destruction the Consultant improvised an exercise that was supposed to calm down the situation. In this situation the Consultant tried and did manage to end the Workshop in a decent way only to hear later that the negative interaction had continued for several days via emails involving Workshop participants and top management of the company. However the episode of severe value co-destruction in the Design Workshop led to intensive discussions between the top management of the company and the Consultant, which resulted in providing good groundwork to improve the process of value co-creation that was sought for in the QM Project. In this way, the value co-destruction episode was actually needed in order to improve the value co-creation practices in the company.

**Recommendations**

On the basis of our case study we suggest that the value co-creation concept is useful, not only for service design, but also for other types of business development processes. Furthermore, although the concept has been mostly used for studies focusing on the company-customer interaction it can be highly beneficial when planning and analyzing the Consultant-Client interface as we have illustrated in our case study. Both for the Consultant and the Client, the value co-creation concept provides a fresh perspective to plan, analyze and reflect on the results of business consulting.

When adopting the value co-creation concept for any kind of business development process, it is crucial to pay due attention to the design of the joint sphere in which co-creation of value can be performed. The joint sphere is always needed and it’s design can comprise of several
phases or layers as in our case (i.e. the planning phase of the QM Project, making the overall Process Map and organizing the Process Workshops). All layers of the joint sphere should be acknowledged and explored in order to be able to maximize the potential for value creation in them however some of them can be more important than others.

Although aiming at co-creation of value, the business development process can turn into co-destruction of value. While co-destruction episodes can result in considerable harm to the business, they can also serve as initiators of actions, which lead to better opportunities for value co-creation. Therefore, while co-destruction has mostly negative connotations, it should not be avoided at all cost. Sometimes it can provide ground for positive long-term effects in terms of value co-creation.

Conclusion

The service literature has a strong focus on value co-creation as a positive phenomenon. Based on our case study we suggest that it is also useful to take into account and analyze episodes of value co-destruction. While prior literature has approached value co-destruction mostly as a negative phenomenon, our case study illustrates that the issue is not that simple. Our results show that there can be important connections between value co-creation and value co-destruction in a way that one may lead to the other. We propose that the link works in both directions although our case study showed more clearly how an episode of value co-destruction can actually be beneficial in terms of being able to provide better ground for value co-construction.

Acknowledgement

This paper is part of the AGILE-project funded by the Finnish Agency for Technology and Innovation (Tekes) and five Finnish universities. We wish to thank POK Group (Sanna Laitinen) and Talentree (Antti Haapakorva) for the permission to publish the case. We also thank Saga Eriksson for checking the language of the paper.
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