

International Management
Master Thesis No 2004:15

VALUE CREATION IN A PROCESS CONSULTANCY SETTING

CASE: ABOY

Christofer Bachman
Risto Sallinen

Graduate Business School
School of Economics and Commercial Law
Göteborg University
ISSN 1403-851X
Printed by: Elanders Novum AB

Abstract

The ever-changing prerequisites of the business world, the continuous discussions around value creation as well as the increasing curiosity toward the consultancy business were the starting points for this thesis. Besides the authors' interest in consultation acted as a spark for the whole thesis project. The thesis itself investigates value creation in the process consultancy business and mainly tries to seek an answer for the following question: What are the key components when creating value in a consultant-client relationship? Furthermore, the study is to explain why these components are important, as well as try to provide an answer of how an individual consultant can affect these components with her actions.

The research approach of this study is qualitative and the empirical framework is constructed around the main case, ABOY, (a consultancy company) and its clients, which are used as sub-cases in this thesis. The very core of the report is based on the empirical data, especially on a matrix, which summarises all the empirical findings. In the matrix the authors have collected the most common issues that came up during the interviews, which were conducted in different organisations.

The theoretical framework was based on a few main concepts that the authors perceived to be applicable for the consultancy business. The main concepts used in this thesis are Value Constellation by Normann and Ramirez (1994, 1998) and the ideas of co-creation adopted from Prahalad and Ramaswamy (2004). Both of these concepts propose that value is created in the interaction and that it is co-produced or co-created with the customer.

With the help of the empirical material the authors were able to identify the key components, which were later analysed with the Frame of Reference that was built to create an understanding of the investigated problem and topic.

After the analysis the authors reached the conclusion that value creation in the process consultancy business lies in the relationship between the consultant and the client. This conclusion challenges the prevailing concepts, as the authors discovered that the interaction could only be part of value creation since the nature of value creation is far more complex than one may imagine.

Keywords: Process Consulting, Identity, Value Creation, Customer Relationship, and Interaction.

Acknowledgements

We would like to thank our supervisor, Torbjörn Stjernberg, for his invaluable support in our thesis writing. When times have been tough you have always been accessible, whether you have been in your office or at home. We would also like to thank all the companies that have been involved in this thesis. Finally, a **BIG** Thank you to everyone at ABOY. You have all been very friendly to us and have with your creative and personal environment (and the good breakfasts, as well as the hockey matches) helped us achieve much more than we thought possible.

TABLE OF THE CONTENT

<u>1 PROLOGUE</u>	1
<u>2 PROBLEM DISCUSSION</u>	3
2.1 EXPERT VS. PROCESS CONSULTANTS.....	3
2.2 VALUE DISCUSSION.....	6
2.2.1 DEFINING VALUE.....	6
2.2.2 VALUE CREATION - DIFFERENT CONCEPTS.....	7
2.3 PURPOSE OF THE STUDY.....	13
2.4 RESEARCH QUESTIONS.....	13
2.5 OUTLOOK OF THE CHAPTERS.....	13
<u>3 METHODOLOGY</u>	15
3.1 BACKGROUND.....	15
3.2 RESEARCH DESIGN.....	15
<u>4 FRAME OF REFERENCE</u>	23
4.1 THE CONCEPT OF VALUE CONSTELLATION.....	23
4.1.1 CODE OF AN OFFERING.....	23
4.1.2 LEVERAGE.....	24
4.1.3 VALUE CREATION LOGIC.....	24
4.2 THE CONCEPT OF CO-CREATING VALUE.....	25
4.2.1 INGREDIENTS OF CO-CREATION.....	25
4.2.2 COMBINING THE INGREDIENTS OF CO-CREATION.....	28
4.2.3 THE CO-CREATION EXPERIENCE.....	28
4.3 MARKET CONCEPTS.....	30
4.3.1 MOVING AWAY FROM THE TRADITIONAL MARKETS.....	30
4.3.2 THE MARKET OF CO-CREATION – MARKET AS A FORUM.....	31
4.4 WHAT IS AN EXPERIENCE?.....	32
4.5 THE EXPERIENCE REALMS.....	32
4.6 INTERACTION AND SOCIAL INTELLIGENCE.....	35
4.7 IDENTITY AS A PART OF VALUE CREATION.....	37

5 EMPIRICAL DATA 39

5.1 CASE COMPANY - ABOY 39

5.1.1 BUSINESS AREAS 39

5.1.2 THE BUSINESS CONCEPT OF ABOY 40

5.1.3 NARRATIVES OF ABOY'S CONSULTANT 40

5.2 CLIENTS OF ABOY – SUB-CASES 45

5.2.1 CASE 1 45

5.2.2 CASE 2 48

5.2.3 CASE 3 51

5.3 THE MATRIX – A SUMMARY OF THE EMPIRICAL FINDINGS.. 54

6 ANALYSIS 57

6.1 RESEARCH FINDINGS 57

6.2 WHY ARE THE IDENTIFIED COMPONENTS IMPORTANT IN THE CONSULTANT-CLIENT RELATIONSHIP? 61

6.2.1 FORMING AN UNDERSTANDING OF VALUE CREATION IN THE PROCESS CONSULTANCY BUSINESS 62

6.2.2 THE MARKET 63

6.2.3 THE CORPORATE LEVEL 65

6.2.4 INDIVIDUAL 67

6.3 HOW CAN THE COMPONENTS BE AFFECTED BY THE ACTIONS OF THE CONSULTANT? 70

7 CONCLUSION 77

8 EPILOGUE 81

LIST OF REFERENCES 85

APPENDIXES 91

LIST OF FIGURES

FIGURE 1. <i>STUDY MODEL</i>	16
FIGURE 2. <i>THE CONCEPTS OF MARKETS</i>	30
FIGURE 3. <i>THE EXPERIENCE REALMS</i>	33
FIGURE 4. <i>BUILDING BLOCKS OF VALUE CREATION</i>	58
FIGURE 5. <i>A ROAD MAP OF THE ANALYSIS</i>	62
FIGURE 6. <i>COMBINING THE COMPONENTS OF VALUE CREATION</i>	78
FIGURE 7. <i>THE WATER LILY MODEL</i>	83

LIST OF TABLES

TABLE 1. EXPERT AND PROCESS ORIENTED CONSULTATION MODELS.....	5
TABLE 2. MIGRATING TO CO-CREATION EXPERIENCES.....	29
TABLE 3. THE MATRIX – A SUMMARY OF THE EMPIRICAL FINDINGS.....	55

1 PROLOGUE

The picture, which has depicted the consultants in the past, has not always been very flattering. A consultant was perceived to be an annoying nerd, Mr. ‘Nobody’, that came in wearing his three-piece suit, carrying presentations in a briefcase, and having pockets full of business cards. He was a person who most likely did not know more than the others but somehow managed to get the managers’ attention. (Farrell, 1997)

There have always been a lot of tales about the consultancy business, its mysteries and myths. People have always created imaginations of the consultants and these figures seem to have a strong image even in today’s business world, even though they have been slowly fading away. Still not many people seem to understand what the consultancy business is really about, since it is left alone as long as it brings value for the money. (Wooldridge, 1997)

Consultants tend to hide behind terms like ‘value propositions’ and ‘service offerings’, thus sustaining the air of mystery. Regardless of this, different business people spend millions on the consultants’ services. This leads to the thought that it is almost impossible to avoid the fact that the industry distributes a little ‘witchcraft’ as well. (Wooldridge, 1997)

The truth of the consultancy business is that over 100,000 people across the world work as full-time management consultants in this highly competitive industry. Altogether these consultants collect yearly revenues that exceed £12 billion. An interesting characteristic of the consultancy business is that only one percent of all the companies are more than 50 years old. Something about the popularity of the consultancy business tells that the private consultancy sector has increased firmly in the past 15 years, reaching a growth that often is higher than GNP in the United States and in Western Europe. (Rayden & Agnew, 2000)

How to succeed in this business then? Obviously one has to have a vision, energy and the willpower to make the business work. Moreover, commitment, special abilities and knowledge are required in order to cope with the tightening business world. (Rayden & Agnew, 2000) Does these traits eventually make a company successful? No, if the company does not have customers to work with. As the consultancy business is an extreme example of the relationship-based business, the consultants need to understand the importance of the customer relationship. At the same time the consultants has to know who they are and what they stand for. Furthermore, the consultants have to think about the customer: what creates value for the customers and how can a consultancy company create that value. That is why one may ask, “What is a consultant?”

Overell (2002:15) discusses this and points out that trying to define the consultancy business is “like trying to nail jelly to the ceiling.”

Leading from the previous citation we feel that there is a need to define a consultant one way or another. Here, we use the following description of a consultant, since we think that it is proper and entails both major management consultant approaches, which will be presented next.

“A consultant is someone who provides a specialized expertise, content, behaviour, skill, or other resource to assist a client in improving the status quo. This intervention focuses on a specific client need.” (Weiss, 1998:4)

2 PROBLEM DISCUSSION

The aim of this chapter is four-fold. First, we are going to scrutinise the major differences between the two main approaches in the consultancy business: expert and process consulting. Furthermore, we will illustrate the process consultants' way of working and explore how they are supposed to act when interacting with the client. In addition, we take a look at what is expected from a process consultant. Second, we give a reader an overview of different perspectives of value and value creation. Therefore, we define what value means for the thesis and present some concepts of value creation. Later, we will argue which of these concepts could be applied in the consultancy business. The selected concepts will be then elaborated on more closely in the Frame of Reference. Third, we will present the purpose of the study and the specified research problems. Last, we will give an outlook and show the structure of the whole thesis.

2.1 Expert vs. Process Consultants

Why the consultants are hired in general? What do the companies need them for? The answer is that the consultancy companies' clients often need someone who can oversee a project in order to make the right things happen in a right time, help them to avoid pitfalls, have discussions of different opinions and monitor the objectivity as well as the relevancy of the project. Besides this the clients need some assistance with identifying what changes the organisation needs and how the changes can be achieved smoothly. (Kuttner, Babicky, Barcus III, Eveloff, Hickman, Hunt, *et al.*, 1989) As well the organisations may use the consultants to fill in the lack of specific skills for temporary projects (Rayden & Agnew, 2000).

A consultant-client relationship can be viewed as similar to a doctor-patient relationship since it “*involves employing diagnostic and expert practices that result from the application of skills and knowledge*” (Grieves, 2000:414). Moreover, as Schein (1988) states, a consultant is to check what is wrong with the patient, here the client's organisation, and especially diagnose what part is the sick one in order to give the right medication. This model gives a great power to the consultant since she both identifies the sickness and recommends the treatment to it, which is very appealing for the consultants (Schein, 1988). However, in this thesis we focus on the main approaches of the consultation that the consultancy literature proposes. The classical partition is done between two management consultant practices: the expert consulting model and the process-consulting model. (Greiner & Metzger, 1983 in Stjernberg & Werr, 2001; Schein, 1988)

The main difference between these two approaches lies in the problem solving: how this is carried out. The expert approach purports that a consultant is employed because of the capability to contribute directly to the organisational

problem solving, whereas a process consultant approach is focused on supporting the clients' own process of problem solving. The expert consultant's expertise lounges in his or her capability to identify the situation and prescribe the solution. On the other hand, in the process-consulting model a consultant is to provide advice and engage the client with various interventions. (Stjernberg & Werr, 2001) According to Schein (1988:11), the role of a process consultant is to *“help the client to perceive, understand, and act upon the process events that occur in the client's environment in order to improve the situation as defined by the client.”*

The management consulting models and tools are used differently depending from which perspective they are looked at. In the expert consultant side the models for diagnosing and problem solving are seen as important building blocks while on the process consultancy side these are regarded with huge scepticism. The reason for this scepticism is that process consultants believe that ready-made models ignore the knowledge of the client organisation and the peculiarities of the particular occasions. Utilisation of the ready-made models causes ill-adapted solutions and lacks the recognition within the client's organisation, thus not producing any considerable changes, purports the process consultant approach. The process consultants assume that it is essential for the client to find their own solutions in order to create the lasting change. (Stjernberg & Werr, 2001)

In their study “Consulting Thought-fully” Stjernberg and Werr (2001) view the consulting process from a cognitive perspective and focus on what triggers a sense-making process. They approached this topic from both process and expert perspectives. They propose that successful consultation requires combining the elements from both approaches, as process skills and tools can be valuable for the expert consultants and the general models may contribute to the problem solving and reinterpretation of the organisation and its business. However, in this paper we are focusing on the process-consultant model and thus do not give the same importance to the expert model. Nevertheless, the authors are familiar with the expert model's contributions to the consultancy business which cannot be ignored.

The more engaged and committed the employees are to the project, the easier the implementation of the solution becomes. A process consultant should not make recommendations or suggestions and instead they should focus on guiding people through the problem solving process within the organisation. One of the most important tasks for a process consultant is to keep this process going by having a continuous dialogue between the personnel. (Kuttner *et al.*, 1989)

How can this then be done? The process consultant has to lead the discussion and act as a facilitator whose purpose is to guide and coach the client in an organisational developing and problem solving (Kuttner *et al.*, 1989). The aim in facilitating is to create and ensure an atmosphere and situation that is filled with open communication (Stjernberg & Werr, 2001). The process consultant is to work as a catalyst of change, thus influencing the client’s employees by a chosen approach, used methods and applied values. The aim is to engage the client’s personnel broadly in the project. (Kuttner *et al.*, 1989; Stjernberg & Werr, 2001)

Kuttner *et al.* (1989) state that a process consultant needs to have above average communication and people skills in order to be effective. In addition she needs to have the ability to work with people and know how to influence them. These skills are required to cope with the task of being a facilitator. Moreover, a consultant needs to have the knowledge of how to motivate people to work together. According to Kuttner *et al.* (1989), one has to be familiar with the client’s business and the industry in order to be an effective process consultant. By this they mean that the right questions can be asked and unsuitable solutions are challenged.

As a result of their study, Stjernberg and Werr (2001) came to a conclusion about the main differences between the process and expert oriented consultation. These findings are shown in the table below.

TABLE 1. EXPERT AND PROCESS ORIENTED CONSULTATION MODELS (STJERNBERG & WERR, 2001:273)

	Expert oriented	Process oriented
Triggers	General model	Cognitive maps
Essence of the consultation	Identify problems and propose solutions	Develop shared understanding as a basis for development
Role of consultant	Translator	Facilitator
Role of organizational members	Providers of information, implementers of solutions	Designers of shared realities
Models and theories	Primarily systems models guiding content	Primarily psycho-dynamic models guiding process
Ownership	Moderate by active participants	High by active participants
Diffusion of ideas to non-participants	Less problematic	Highly problematic

To be able to identify and solve the problems together with the client's employees, the process consultant needs to have the ability to indulge the people's knowledge and experiences. Process consultants may have to cope with problematic situation such as over-dependence if a client interprets the consultants to be an expert one rather than a catalyst for a change. In this situation it is important to wipe out these expectations by engaging the activities and the knowledge in the company. (Grieves, 2000)

Finally, as Schein (1988) proposes, the process consultant is to build a capacity for the client's organisation whereas an expert consultant is to provide ready-made, quick fix solutions. While the expert consultant passes on her knowledge, the process consultant aims to share her skills and values (Schein, 1988). In the following section, we are going to extend the discussion to the continuum of value, whilst we investigate different faces of value and value creation concepts.

2.2 Value Discussion

2.2.1 Defining Value

What is value? The question is more important and more complex than most of us think as it is almost identical to the question: "Why do we exist?"¹. The truth is that there does not exist an easy answer for this, since there are as many different opinions and perspectives as there are authors. Most of the approaches anyhow derive from the field of economics, including value theories of exchange, labour and utility, as well as accounting, finance and marketing. Moreover, the concepts of value and value creation are closely linked to the strategy and organisational behaviour literature on competitive advantage (e.g. Porter, and Prahalad and Hamel). Still value has roots in psychology and social psychology. Recently there has been an increasing discussion of shareholder, customer and relationship value. (Payne & Holt, 2001) In this paper we are not going into these different areas of value. Nevertheless we want to point out the extent of this subject. Next we explain how value is defined in this paper.

As there is no universal definition for the term *value* we need to seek some common features for it. Mostly people have a tendency to interpret value in terms of money, and perceive it as a trade-off between benefits and sacrifices – returns and expenses (Flint, Woodruff & Gardial, 1997; Biong, Wathne & Parvatiyar, 1997; Anderson, Jain & Chintagunta, 1993; Anderson, & Narus, 1999 in Walter, Ritter, & Gemünden, 2001). As well it may be a result of an interaction between a customer and a product or service (Payne & Holt, 2001).

¹ www.valuebasedmanagement.net

Some people, however, use a more extensive value definition, which concerns also the non-monetary side, e.g. competence, market position and social rewards (Wilson, 1995; Wilson & Jantrania, 1994; Biong *et al.*, 1997 in Walter *et al.*, 2001). As Trischler (1996) in Amanor-Boadu (2003:6) states “value is the perceived balance between what people receive and what they must give up to get them.” The prior quotation contends that value can be perceived not only in economic terms but also in non-economic terms. For example, what one has to give up or invest into the project may not only be valued in money; most often one has to have a personal devotion to the project. This to be something that the authors think is essential for the consultants to do a good job. The question is what one will get and what this will ‘cost’. This line of argument is used in the thesis because we do not aim to present value in monetary terms but more through a social, individual perception. As Moliere has said: “Things only have the value that we give them”².

In the context of this study value is defined to be as a perceived trade-off between benefits and sacrifices gained through the consultant-client relationship and thus the value derives from the interaction between the participants. Furthermore, in the paper we explore what are the components that create value for the client; hence we need to raise a discussion of the value creation as well. Next, we will discuss value creation with the help of a few main concepts that the value literature provides.

2.2.2 Value Creation - Different Concepts

As McGarry (1998:50) states “*if defining value is a difficult exercise, then creating it can be even more challenging.*” So the questions to be asked are: How can value be created and what does value creation mean? For these questions we can find various answers depending on whom we ask them and from which point of view we are looking. If we look at them from Porter’s (1985) value chain perspective, which concentrates on the production industry, or contrarily from the value constellation perspective presented by Normann and Ramirez (1994; 1998), that focuses on the relationship between different actors, we will receive different responses. And what if we elaborate on the same question from a co-creation approach proposed by Prahalad and Ramaswamy (2004): what will be the answer then. Besides these authors there are myriad of researchers who have been exploring the field of value creation and give their suggestions and contribution to this field. Next, we present the main ideas of value creation from the aforementioned authors. In addition we use other references in order to give a vivid portrait of value creation. The reason is, that we need to understand the different dimensions of value creation

² www.valuequotes.net, (Moliere, 1622 – 1673). For the authors the ‘things’ can mean whatever from the product or interaction to the achievement of a project.

in order to pick the concepts, which could be applicable in the process consultancy setting.

Value Chain – The Base of Value

Porter's (1985) value chain model is one of the earliest and perhaps the most famous concepts ever presented on the field of value creation. Therefore we believe that it is suitable if not even necessary to start the value creation discussion from this point. We use Porter as a spark for further discussion and do not go deep into the model itself. At the same we feel that it is appropriate to give recognition to McKinsey's work with 'business system concept' in the early 1980s since Porter's idea of value chain derives partially from it. The business system concept was one of the first models that illustrated that a company is a series of functions: by analysing how these functions perform in relation to competitors the new insights could be gained. (Kippenberger, 1997; Porter, 1985)

According to Porter (2003) the value chain helps a company to identify and analyse the specific activities through which it can create value for its customers and achieve competitive advantages. Porter (1985:36) proposes that every company is a combination of different activities and that company's value chain is "*a reflection of its history, its strategy, its approach to implementing its strategy, and the underlying economics of the activities themselves.*" Furthermore, he argues that comparing a company's value chain with its competitors' equivalents will expose the differences and define the competitive advantages.

In competitive terms, as Porter (1985) claims, value means the amount that the buyers are willing to pay for the company's offerings. Total revenues are used to measure the value. The company is profitable if the value it creates exceeds the costs incurred when creating the product. Based on this thinking it can be said that creating value for the customers is the goal of any general strategy. (Porter, 1985) Each activity in the value chain process can only be validated if it creates more value for the customer than it consumes as costs (Walters & Lancaster, 2000).

The value creation, according to Porter (1985), happens when identifying and understanding the customer benefits, costs and the combination of the company's activities. Let us take an example of the product delivery where it is vital for a customer to have the product quickly or in time with low or optimal cost. In such a case the best result is achieved with an efficient arrangement between production and logistics. (Porter, 1985)

As it can be seen, many of the company's activities interact with customer's activities, not only the company's product, which is a purchase input to customer's value chain. Porter (1985) claims that quality is not enough to make a company unique and the focus should be broader than just the product; the company should think how value activities impact the customer, and especially the customers' needs. "Value is created when a firm creates competitive advantage for its buyer – lowers its buyer's cost or raises its customer's performance" (Porter, 1985:53).

Porter's work has persuaded many researchers to further investigate value creation. Payne and Holt (2001) give a few examples of these 'offspring'. They mention Vandermerwe (1993) who represents the customer's value chain as an activity cycle and proposes that value is created in the process. Another idea that Payne and Holt (2001) comment on comes from Jüttner and Wehrli (1994) and Piercy (1998) who approach the value discussion from the value system perspective to show how numerous organisational processes lead to customer value. Furthermore, Clark, Peck, Payne & Christopher (1995), in Payne & Holt (2001), propose a concept of relationship management chain or relationship chain. Here we use these examples only to show a variety of the value concepts but we are not going to illustrate them more than this.

Evidently not all of the researchers agree with Porter's ideas and there has been an increasing criticism toward the value chain concept. The critics mostly concern the linearity of the model, and its close relation to assembly line analogue: hence it better suits the manufacturing than the service industries. Furthermore, it is claimed to be too unidirectional and sequential, and it has become impossible to see the supplier as a customer and vice versa. (Author Unknown, 1997; Normann & Ramirez, 1998)

Value Constellation – Co-producing Value

In contrast to Porter's value chain, Normann and Ramirez (1998) introduce the idea of 'value constellation' by which they argue that in the value chain model the value is 'added' step by step, and not really 'created'. The authors based their view on the value chain logic in which value is produced when one receives something from supplier, 'adds' value to it, and then 'passes' it on downstream to a customer (internal or external). Normann and Ramirez (1998) interpret that by doing so the value production is actually nothing but 'cost adding'. They argue as well that strategy is not a matter of positioning a set of activities along the value chain. Further Normann and Ramirez (1994; 1998) claim that the focus should not be on the company or the industry but on the value creating system in which different economic actors (suppliers, business

partners, allies, and customers) work together to co-produce value. Next, we present the ideas of value creation by Normann and Ramirez.

Göran Carstedt summarises the key argument of Normann and Ramirez (1998:xiv): “*Customer value creation has to be seen as when companies with [their] products and services are enabling their customers to create value.*” By this he means that the value creation is a process, which links the company’s capacity so that it helps to enable its customers, co-workers and suppliers in order to enable the greater community to achieve something valuable. Another key statement from Normann and Ramirez (1998) is that value does not exist in the products or services (offerings, as the authors put it) or in the purchasing actors but in the interaction between both of these.

Normann and Ramirez (1998) state that the relationship between any two actors has a tendency to be far more complex than at the time the value chain concept was introduced. In today’s world ‘*partners*’ create value together through different types of co-productive, reciprocal, relationships, instead of just adding value one after another. The authors’ message is that the companies have to start to think how they can create joint success. (Normann & Ramirez, 1998)

According to Normann and Ramirez (1998) by coming together and co-producing together, the actors create ‘value constellations’ in which the value is co-produced through the interface with the other actors. By this Normann and Ramirez (1998:54) mean that the actors “*allocate the tasks involved in value creation among themselves and to others, in time and space, explicitly or implicitly.*” This view opens many possibilities to define the relationships and reassess the activities. To take a simple example of customer-supplier co-productive relationship, the implication is that the customer involves and participates in various ways in consuming an offering: hence she is not just a passive purchaser/user of the offering. In the value constellation’s point of view the consumption is seen as value creation, not as value destruction. In a co-production relationship any given characteristics cannot be taken for granted since the co-producers continuously have to reassess each other, and reallocate tasks in accordance with their perception of the new comparative advantage. (Normann & Ramirez, 1998)

According to Normann and Ramirez (1998) an effective offering is designed in a way that co-producers finish up performing the ‘right’ activities, which are those that best match and/or complement the activity sets they are willing to perform, thus generating value creation to all sides. Which activities are the right ones depend on the partners’ knowledge and resources and therefore the nature and logic of their value creation (Normann & Ramirez, 1998).

What is the nature and logic of value creation in the future? As Normann and Ramirez (1998) explain, the companies have to ‘come together’ and start to co-produce the value. As well they need to contribute more to the other businesses than they have done so far in order to make their own business better too. The similar line of arguments can be found in Prahalad and Ramaswamy (2004) who in their latest research introduce a new frame of reference for value creation. This ‘new’³ approach will be presented next.

Value Co-creation – The Future

Prahalad and Ramaswamy (2004) suggest that the future of value creation can be found in co-creation of value. What does this mean? According to Prahalad and Ramaswamy (2004), the source of value lies in the personalised experiences that are unique to each individual customer. The authors based their thinking on the thought that the traditional company-centric value creation system, which has prevailed in the business world during recent decades, is now changing and fading away.

In traditional business there have been two main assumptions: 1) any company or industry can create value unilaterally, and 2) value exists only in the companies’ or industries’ products and services. These assumptions are now challenged by the customers’ active participation and the changing interaction as described below. (Prahalad & Ramaswamy, 2004)

The first step is the transformation has been the changing role of the customer, the shift “*from isolated to connected, from unaware to informed, from passive to active*” (Prahalad & Ramaswamy, 2004:2). This means that the customer has become an active and engaged constituent of the value creation process where she will be no longer just a passive listener⁴. Leading from this Prahalad and Ramaswamy (2004) think the second step to be the customer-company interaction.

Prahalad and Ramaswamy are not the only authors who see this engagement point of value creation. Earlier many researchers (e.g. Anderson, 1995; Wilson, 1995; Grönroos, 1997 in Walter *et al.*, 2001) have claimed that a crucial point for value creation is to engage the customer and the supplier in a relationship. As the customers will become a key source of the competitive advantage it is essential for the companies to understand this shift in the rapidly changing business world (Walter *et al.*, 2001; Woodruff, 1997 in Payne & Holt, 2001).

³ Some of these ideas were already presented in the book *The Experience Economy* written by Pine and Gilmore (1998).

⁴ www.optimizemag.com

Selecting the Value Concepts

Above we have presented different points of value and value creation. Here we are going to summarise what the value creation means for this paper and select those concepts that we find to fit best in the context of the study.

By looking at value creation from the consultancy business perspective we see clear linkages between value constellation and co-creation of value. Value constellation involves the customer's business more than the value chain perspective. Furthermore, we perceive that this concept fits better in the service-oriented business in which the consultancy business links mostly. In addition, we think that the value chain concept would not give the same possibility for us to explore value creation, as it is shown to be linear and strict with its fundamental ideas.

On the other hand, co-creation of value is taken into account since it provides a fresh framework that seems to fit rather well in the process consultancy setting. This is because the relationship between a consultant and a client is very close, and the best results are expected to achieve through frictionless cooperation. Even though the co-creation of value is mainly examined in the context of Information Technology and health care services, we believe that it is applicable for our study of process consultancy business, as we believe that personalised experiences lead value creation.

To combine what value creation means to us we can say that it lies in the interaction between a consultant and a client. Furthermore, we think that by having a co-productive mind-set and the knowledge from each other's business value can be created. We agree with Porter's statement that the value is created when the customer receives sources for competitive advantage from the (consultancy) company, although we believe that the value creation has to include other perspectives as well. It has to take into consideration not only the main actors, company and customer, but as well the other stakeholders such as the customer's customers, employees and communities. Keeping this in mind, we have decided to use the value constellation and the co-creation of value as the base of our Frame of Reference.

Why are we doing this study? As the problem discussion above illustrates, there is a huge interest in the value creation discussion. The topic has generated much research and it seems that everybody has something to say about it. As we both have an interest in the consultancy business, we wanted to do a research of how value can be created in the consultancy business, and more specifically in a process consultancy setting.

As we believe in Porter's (1985) statement that creating value for the customer should be the aim of each common strategy, we think that every business should know how the value could be created for the customer. This understanding has a strong impact on why we are doing this study. Next, we will explain the purpose of the study as well as the problem questions that we aim to answer.

2.3 Purpose of the Study

The aim of this study is to identify, explore and analyse the key components of value creation in a relationship between the consultancy company and the clients. By examining the importance of these components we strive to create our own understanding of the subject's complexity in order to show the specific critical incidents of value creation that emerged during the research.

Deriving from the purpose statement we have created more specific research questions that will be presented below.

2.4 Research Questions

- What are the key components when creating value in the consultant-client relationship?
- Why are these components important?
- How can these components be affected by the actions of the consultants?

2.5 Outlook of the Chapters

This thesis consists of eight chapters, which include all the common parts of the traditional thesis. However, instead of starting with a common introduction chapter entailing the problem discussion we use a *Prologue* as an opening. The *Problem Discussion* then has its own chapter. The following chapters *Methodology*, *Frame of Reference*, *Empirical Data*, *Analysis* and *Conclusion* are then presented in a more general way, until we reach the discussion part, which we have decided to call the *Epilogue*. Next, we will shortly explain what each individual chapter encompasses.

The aim of the Prologue (Chapter 1) is to intrigue the reader and give the roots for the problem discussion. In the Prologue we discuss the consultancy business in general by giving some illustrations and a few characteristics of the business that we feel are important. This leads us, as aforementioned, to the problem discussion.

With the Problem Discussion (Chapter 2) we intend to give a reader an overview of the two main approaches of management consulting and show the various dimensions of value and value creation. Furthermore, we define how these terms are interpreted in this report and select the value creation concepts that are to be utilised later in the paper. The discussions show the purpose of the study and reveal the specified research questions. Last, we give the chapter disposition in the form of an outlook.

In the Methodology (Chapter 3) we explain how the study was carried out. Here, we give a reader the possibility to see the reasoning in the thesis writing. After presenting a narrative of our research process in the background section, we focus the chapter on our study model that is illustrated with a process chart. Here we aim to describe how the research was designed and give details of each step.

The Frame of Reference (Chapter 4) aims to create a greater understanding of the topic, both for the reader and for the authors. This chapter is needed in order to address the empirical findings later on when analysing the results of the study. The Frame of Reference consists mainly of two value creation concepts selected in the Problem Discussion part. Furthermore, the authors have found other theories to support the theoretical framework; these concepts are also presented in this chapter.

In the Empirical Data (Chapter 5) we convey the empirical material that is mostly gathered from interviewees and formed into cases. Here, we want to note that only the main case and few sub-cases are included in this chapter. The rest of the empirical descriptions can be found in Appendix 1. Furthermore, we believe it important to mention that the matrix is the core for the analysis, which is in the following chapter.

In the Analysis (Chapter 6) we aim to provide answers to our research questions and elaborate on value creation in the process consultancy setting with the help of the created frameworks (theoretical and empirical). However, we would like to remind the reader that the analysis is built on our own interpretation and understanding of the issues in question.

Finally, in the Conclusion (Chapter 7) we draw all the findings together by forming a model that links the key results of the analysis. With this kind of conclusions we want to show the reader our own understanding of this very complex topic.

Last with the Epilogue (Chapter 8) we want to present a discussion of our learning and understanding of value creation in the process consultancy.

3 METHODOLOGY

In this chapter we aim to describe how the research has been built up and executed. Firstly, we will briefly explain the background of the study. Secondly, we will show how the research was designed; in this part we will illustrate the process with the help of our study model and go through the various steps of the research.

3.1 Background

The thesis has proved to be a real journey for the authors, as we have been forced to go through various steps in the process. In this background part, we would briefly like to describe the different events that finally led us to our chosen topic, as these incidents definitely have had an impact on the thesis. Here we would also like to note that the name of the main case company and its clients have been changed in order to make the thesis anonymous.

The contact with ABOY, the case company, was established in the spring of 2004 when one of the consultants led a lecture in the Graduate Business Programme, International management, Göteborg University. In writing a shorter paper, which discussed the use of Balanced Scorecard, a firmer contact was established and the opportunity for writing a thesis surfaced. This led to the definition of a topic, which was both interesting for the authors and also useful to ABOY.

The first defined topic circled around the idea of providing two mirror images for ABOY, one of themselves and one of the clients. These images would show how the consultants believed that they create value, which then could be compared with the image received from the clients. Furthermore, we intended to investigate how the clients perceived the organisational culture of ABOY and whether they, in relationship with this, were able to keep their promises.

Unfortunately, we realised about halfway in conducting the interviews that the interviews did not provide us with sufficient material for this kind of study. Moreover, we understood that the topic was rather focused on the case company, which led us to reflect upon and reformulate our purpose and research problems.

3.2 Research Design

The research design of this thesis has unfortunately been subject to change as the research questions and the purpose were altered in the process⁵. The following is therefore a description of the final design, which was established somewhere in the first part of the work process.

In formulating the research questions, we decided to use one exploratory question (‘What’) and two analytical questions (‘How’ and ‘Why’), an appropriate line of reasoning in case studies according to Yin (1988)⁶. The research questions have been carefully formulated to capture the interest of both the academic field, by adding a pilot study to the existing material on value creation in the process consultancy field, and of the case company, by letting them participate of the findings in their area of practise. Furthermore, these questions supported our interest in the consultancy business and contributed to our learning process.

To illustrate the research design, a model has been compiled to show the major steps in the process. The model should be read as a flow chart, starting with the pre-study and finishing with the conclusion. The numbers indicate the different stages identified in the process; hence, every step will be described separately and in detail.

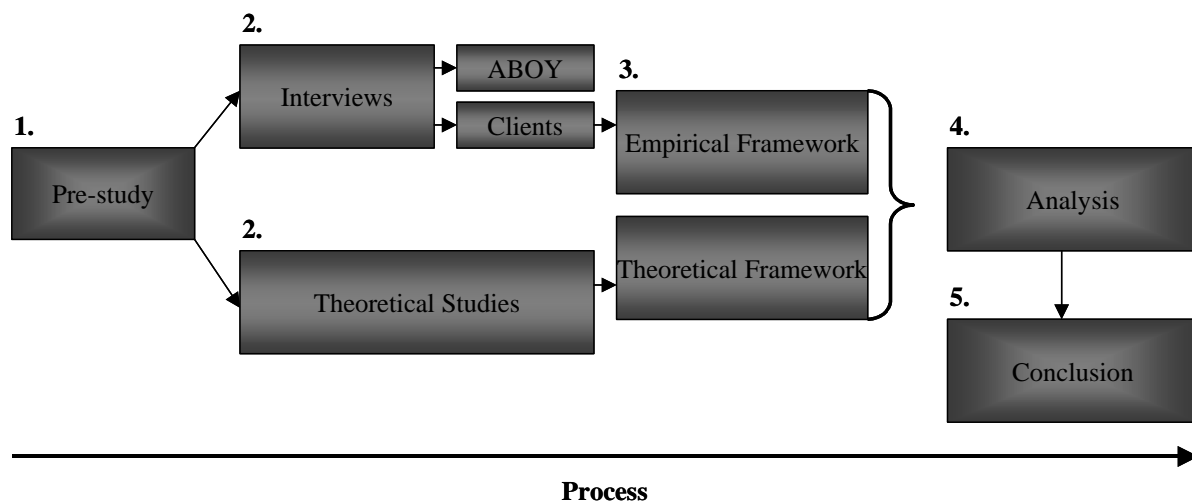


FIGURE 1. *STUDY MODEL*

⁵ According to Yin (1988), the research design links the questions of the study to the data that will be collected. Furthermore, Yin (1988) states that the study questions (one of the five components in the research design) are especially important in the case studies.

⁶ In the book *Case Study Research: Design and Methods* (1988:20), Yin states that “How” and “Why” questions have a distinct advantage when asked “about a contemporary set of events, over which the investigator have little or no control.”

Step One – Pre-study

The research started with the thesis proposal, given to both our supervisor Torbjörn Stjernberg at the School of Economics and Commercial law and to our facilitator at ABOY. Through discussions with both people we finally decided upon the subject of the research and started the work.

To gain a deeper understanding of the subject at hand we decided to create a mind map. This mind map pointed out the areas of interest in the topic and helped us enormously in our work. We also conducted two interviews with consultants at ABOY to gain knowledge on how to perform an in-depth interview. This decision was made on the basis that the consultants often use interviews in their daily work and therefore have relevant knowledge for us to obtain within the area. The pre-study also included an intense period of reading, for us to grasp the area of interest.

Step Two – Research Approach and Data Collection

The second step involved two processes that, even though they were separate, were constantly interlinked through a discussion between the authors. Furthermore, it was decided that the work would run more smoothly if the processes were divided equally between the authors. This meant that, while one author was responsible for the overall development of the process, he was not allowed to only focus on the area in question. Below, we describe the two parallel processes separately but ask the reader to note, as mentioned above, that these were constantly interlinked.

When conducting the interviews we chose to work with a qualitative research approach⁷, which according to Yin (1988) is most appropriate in case studies. Furthermore, it was decided that two different questionnaires were needed, one directed towards the consultants and the other towards the clients, as these people inevitably have different roles in the value creation.

The questions⁸ were created by writing ideas on a white board. This was followed by a discussion on the relevance of the suggested questions and the reason behind them. We later grouped the questions in order to see if we covered the same areas or not. We continued the discussion of what we had to ask in order to get ‘right’ answers for our research problem. The final interview questions were structured around three areas that we found to be interesting:

⁷ According to Esaiasson, Gilljam, Oscarsson and Wängnerud (2002) there are two methods when conducting interviews, a qualitative and quantitative approach. Where as the quantitative method is appropriate when deciding upon for example the frequencies, the qualitative method is the more valuable when trying to analyse a written material or something that has been stated by a person.

⁸ See Appendices 4 and 5.

Image of ABOY, Value Creation and Customer Relationship. We did not want to narrow the questions too at this tie much as this then might have lead to insufficient empirical material. However, to avoid receiving too much material, we created a structure in which the questions started on a broad base and then narrowed throughout the interview. We also decided that we in the interview situation mainly would use ‘What’ questions, but that we also should follow each question with an inquiry on ‘why’ and ‘how’ this was. Furthermore, the interviewees were asked about the nature of the project.

All in all we conducted 35 semi-structured interviews, which were divided so that eight people where interviewed at ABOY⁹ and the rest were the clients of ABOY. The clients were chosen in co-operation with ABOY. The only wish that the authors had was to have interviewees with different roles (a purchaser or the one who selected ABOY, a project leader, and a project member) from each company. This was done with the hope of getting a broader view of how people with different roles would perceive value creation. Here, we can already say that no patterns could be identified between the different roles, and thus this is not investigated in the report.

Another requirement came from ABOY’s side: in order to be selected a company had to be in a phase where the project was either finished or had been running for a sufficient amount of time, about one year. Furthermore, it was important for the authors as well as for ABOY that there existed a curiosity from the clients’ side so that the interviews finally would yield interesting material.

In the interview situation we decided to use some form of recording technology, in the beginning a tape recorder and later with the help of our laptops and a microphone, to be able to fully concentrate on understanding the answers. If we somewhere did not, or if the interviewee did not, understand we took care to repeat and explain the question. After the interview we sat down and analysed the answers given and also evaluated the questions to avoid further misunderstandings in the interview situation. Furthermore, the questions were translated to Swedish as almost all interviews were conducted in this language. This was done as we thought that it would give the interviewee a better possibility to answer the questions if he or she could use the mother tongue.

In the beginning our thought was that we would transcribe every interview word-by-word, but we soon realised that this would be too time consuming and that it would leave us with an empirical framework, which would be hard to

⁹ Note: There are two exceptions, one interviewee is a board member but not ABOY’s consultant, but will be referred as a consultant in the paper, as well as another one who works as a manager for the consultants.

analyse. We therefore, after a discussion with our supervisor and decided that we would try to catch the critical information when transcribing. Moreover, the other author checked every transcription afterwards in order to see that the information was valid.

When conducting the interviews we had a feeling that it was rather hard to get deep enough and we decided that by triggering the interviewees in some way we could get better answers. So we decided to check from ABOY's Intranet pages what projects they (selected organisations) had been working with, and then ask the interviewees what had created value to them in and during those projects.¹⁰ We also tried to create a thematic and deep discussion on the selected areas with the interviewees instead of just asking direct questions. The interviews, with this technique, seemed to give a much better result, as we got a more open dialogue and people could express themselves more freely. Moreover, they were not puzzled by the hard questions anymore. So we decided to keep and develop this method further, with the areas and the questions as a frame for the interview.

As a conclusion we can say that the semi-structured form of questions worked best for us. The thematic and deep dialogue, which was led by a question within each area of interest, created a good result as we now see it. We have a feeling that we managed to gather really good material and even though we were forced to change the topic, the problems and the purpose, it did not take the reliability away from the paper.

The other parallel process, the theoretical studies, was mostly focused on the literature of value creation and the areas directly connected to this topic. In gaining experience from the interviews we managed to find new and interesting theories that could describe the reality in which we were present.

Step Three – Constructing the Empirical and Theoretical Framework

The empirical material in this research primarily consists of primary data. Moreover, we used ABOY's documents, Intranet and Internet pages to get more information about the company and its clients. After all the data was collected we put it in the form of individual cases. We established each selected company as a separate case. The idea behind this was that we did not want to miss any of the received information, which may happen when combining the data. We also believe that the case studies are more interesting for the reader as it is easier to get a complete picture.

¹⁰ It was also somewhere in the middle of this process that we realised that the research questions did not produce the answers required, which is why we decided to change the direction of the thesis.

The matrix was created in order to give an overview of the empirical findings. Firstly, we went through the written empirical material, and picked out the issues from each separate case. Secondly, we grouped this data in order to see the frequencies in the answers. Furthermore, we decided to take in the matrix those issues mentioned at least twice in the empirical data¹¹. After this was done, we in the next phase tried to find if there still might be some issues to add to the categories we had created. In the third step checked if something was still missing and went through the whole empirical data again. This resulted in some additions and, we finally came up with almost complete matrix. Finally, we classified the issues into different areas that could be perceived as hard (e.g. knowledge, professionalism), mild (related to method or process) or soft (individual or social dependent).

In the theoretical framework, we used the secondary material such as books, articles and reviews, and Internet pages to form a Frame of Reference for our research. The focus on this framework was, as aforementioned, value creation. Furthermore, we decided to complement the Frame of Reference with some theories that we felt gave a more complete picture of the perceived reality.

Step Four – Analysis

In the analysis we strove to answer the questions stated in the problem discussion. Therefore, we analysed the empirical material and found that we could summarise it into different value creating components. This then provided us with an answer of ‘what’ the key components are when creating value in the consultant-client relationship.

In analysing the next question, ‘why’ these components are important, we felt that it was necessary to supply a complete picture of how we perceive that the process consultancy business works, to be able to distinguish ‘why’ the consultant creates value. In this discussion we used two different variables: the identified levels of value creation in the process consultancy business, and the empirical findings in the form of the matrix that we created.

Finally, in the last part of the analysis we tried to find ‘how’ it would be possible to improve the identified areas. This has been done with the help of the theoretical framework, but we also argue some things based on the empirical findings.

At this stage we would like to point out that the analysis focused on finding the keys to value creation. This meant that we did not analyse every case

¹¹ This means that to have a cross in the matrix the issue needed to be mentioned in two different cases but on the same area (image of consultant, value creation or customer relationship).

separately, which can be argued is a common method when using cases. Instead we chose to summarise the empirical material in order to find patterns that could be interesting for our research.

Step Five – Conclusion

In the conclusion we summarised our findings and discussed how the identified components can be interlinked. This was done by creating a model which, firstly, describes the relationship between the three components and, secondly, explains how we interpret that the relationship should be pursued in the arenas of value creation. Finally, we discussed what future studies we believe should be done within this area.

4 FRAME OF REFERENCE

In this chapter we are going to present deeper insights and extend the knowledge from the selected value creation concepts: Value Constellation (Normann & Ramirez, 1994; 1998) and Value Co-creation (Prahalad & Ramaswamy, 2004). Besides, we will add a concept of The Experience Realms (Pine & Gilmore, 1999) and give an idea of the importance of the social skills. What skills are required from an individual¹² when creating a good customer relationship? These additions are done in order to support both the value creation concepts and the analysis in the study. Last, we believe that the additional theories could be useful and applicable in the process consultancy business.

4.1 The Concept of Value Constellation

As stated previously in the value discussion part, Normann and Ramirez (1998) believe that value is co-produced between the company and its customer. They also suggest that the value is neither in an offering nor in the purchasing action but in a process of interaction between different participants. Normann and Ramirez (1998) propose that all the offerings possess a code inside them. This code will be explored in the following section.

4.1.1 Code of an Offering

The customers are interested in how they can use a purchased good or service and what benefit it brings, rather than thinking what went into the production. The value of an offering depends on what advantages the offering can provide to its user. As stated by Normann and Ramirez (1998:56): “The inferior or superior value of an offering, below or above the cost of the activities that make it available to us, can be attributed to what we will call offering’s code.” Normann and Ramirez (1998) propose that this code then defines the leverage value of an offering. The code creates a linkage between the previous activities that are ingrained in the offering and the customer’s value creating activities. Finally, as Normann & Ramirez (1998) believe, it is the code that stimulates and makes the value creation possible.

The code can be seen as an intrinsic pedagogical element of an offering as it has an effect on customers’ or users’ behaviour. The better the offering code fits to the customer’s resources, the bigger the change it is to create value for the customer. Thus the degree of this match defines the offering’s leverage value. (Normann & Ramirez, 1998)

¹² With an individual we refer to a consultant, even though the concept by Baron and Markman (2000) concerns entrepreneurs.

4.1.2 Leverage

The offering code is necessary to have in order to enhance a match between participants, thus matching possible value creating activities. To allow the customer to obtain value the possible fit has to be actually matched and therefore a concept of leverage is required. (Normann & Ramirez, 1998)

Normann and Ramirez (1998) claim that if the offering makes the customers to be more effective, enables them to create value in a ‘better’ way, the leverage takes place. An effective leverage happens when a company helps its customer to achieve something better, they argue. One aim of leverage, and simultaneously the basis of designing an offering, is that one has to take a look beyond the customer – one has to see customer’s customer. The company has to reconfigure and combine all value creation systems, its own, its suppliers, its customers, its partners in order to leverage the value-creating activities. Leverage increases the possibility to create the ‘right’ opportunities for the customers, and it gives an opportunity to view the business in the new way, thus enhancing the customer’s value creation potential. (Normann & Ramirez, 1998)

Normann and Ramirez (1998) state that a company that is oriented with an advanced leverage sense e.g. ‘customer orientation’, has to realise that it cannot only keep asking the customer what the company can do for them. Instead a good customer service can be accomplished with a joint problem solving in which the company integrates its own knowledge with the customer’s knowledge, thus creating more value through the shared activities that are more effectively matched (Normann & Ramirez, 1998). This can be applied perfectly to the process consultation since the idea, as presented previously, is to engage the customer in the problem solving process. Moreover, the consultant provides and helps the customer with the relevant knowledge but at the same time understands and appreciates the knowledge within the customer’s organisation.

4.1.3 Value Creation Logic

The companies should start to see themselves as a support system and refocus themselves from product to customer. The only reason why the company is on the market is because it helps the customers to create value and success for themselves as well as for their customers. By giving access to the needed productive knowledge and by understanding the customer’s value creation logics, a smart supplier can enhance the co-production and create effective relationships with the customers. (Normann & Ramirez, 1998)

Normann and Ramirez (1998) suggest that for the supplier, understanding and satisfying the customer's needs are not strategically as relevant as focusing on identifying and providing activities that will fit into the customer's activities and processes. As the value creation logic varies case-by-case depending on the customer, the key component in the supplier's work is to match the value creating activities of a specific customer (Normann & Ramirez, 1998).

According to Normann and Ramirez (1998) the customers are engaged in activities to achieve not only economical value, but also social, psychological, aesthetic and moral values. Further the authors propose that the value for the customer, and more importantly for customer's customer, can be created through reduced cost, increased speed, enhanced quality or reliability, great enjoyment, increased safety, or extensive meaning, almost every parameter one may come up with.

4.2 The Concept of Co-creating Value

According to Prahalad and Ramaswamy (2004:10) "*Value lies in the co-creation experience of a specific patient, at a specific point in time, in a specific location, in the context of a specific event.*" Traditionally companies and customers possessed separate roles in the value creation process, and the value was ingrained into the products and services while markets were used to exchange this value. Moving on towards the co-creation this distinction vanishes, because value creation no longer occurs outside the markets but rather within the markets, and the customer becomes the basis of the value. (Prahalad & Ramaswamy, 2004) As Walter *et al.* (2001:366) point out: "For the sake of their own survival, suppliers need to understand how value can be created through relationships with customers." The realisation that value should be created *with* the customer is the corner stone of value co-creation.

Prahalad and Ramaswamy (2004) state that the co-creation is fundamental: a unique value for each individual is created through personalised interaction that is meaningful and sensitive for a specific customer. In the following section we will show what is needed in co-creation.

4.2.1 Ingredients of Co-creation

What are the ingredients of co-creation? What a company should know about these and how it should use the received knowledge of the ingredients? The interaction is said to be the locus of value creation but what are the ingredients of it? Prahalad and Ramaswamy (2004) propose that there are four main items that feature co-creation process: *Dialogue, Access, Risk Assessment and*

Transparency, which refer to the abbreviation DART. Let us now explore these items separately.

Dialogue

According to Prahalad and Ramaswamy (2004:23) “Dialogue means interactivity, deep engagement, and a propensity to act – on both sides.” They propose that dialogue does not only mean listening but rather it has to engage emphatic understanding, as well as acknowledging the emotional, social and cultural context of experiences. Additionally, a shared learning and communication is created in a dialogue between two equivalent problem solvers. Dialogue is aiming to form a loyal commune. (Pralhad & Ramaswamy, 2004)

Next we will present the special features that dialogue has in co-creation (Pralhad & Ramaswamy, 2004):

- Focuses on the issues that both the customer and the company have interest in;
- Requires a forum where ideas can be exchanged; and
- Entails rules of engagement (explicit and implicit) that are supposed to yield to an orderly, productive interaction.

To combine these, dialogue not only persuades sharing of knowledge but also encourages understanding between the customers and the companies. Furthermore, it allows the customers to elucidate their view of value into the value creation process. (Pralhad & Ramaswamy, 2004)

Access

The focus of companies and their value chains have traditionally been on creating and transferring the ownership of the products to the customers. The goal of today’s customers is instead to get an access to desirable experiences, therefore diminishing the necessity of product ownership. The access to experience can be achieved without owning anything; that is why the notion of access from ownership has to be detached and challenged. (Pralhad & Ramaswamy, 2004)

As Prahalad and Ramaswamy (2004) believe, access begins with the information and tools: companies sharing databases, processes and designing with their customers. Prahalad and Ramaswamy (2004) suggest that by focusing on providing access to experiences at a numerous points of interaction the company can create possibilities for new markets in a new way, and thus

broaden their business opportunities. An example of this could be a coffee shop that provides Internet services (called cyber or Internet café) for those who cannot afford to buy a computer and get an access to the Internet. With the help of the new technology customers have access to value chains of entire industries and through this they can transform the capacity of self-expression. (Prahalad & Ramaswamy, 2004)

Risk Assessment

According to Prahalad and Ramaswamy (2004) the risk refers to the possible harm that may exist for the customer. It has been assumed traditionally that the company can consider and handle the risks better than the customers. Therefore the company has usually neglected the risk when communicating with customers, focusing almost only on articulating the advantages. (Prahalad & Ramaswamy, 2004)

Prahalad and Ramaswamy (2004) assume that customer's role is more participative in the value co-creation. The authors note that the customers should not give up their rights to choose. Customers insist on having full understanding of the risks and are not interested in the data but rather the methodologies for assessing personal and societal risk associated with products and services. Showing the evidence to the customer even though it would be contradictory and complex to understand helps individuals to make informed risk-benefit trade-offs. (Prahalad & Ramaswamy, 2004)

Transparency

The information asymmetry between customer and company is vanishing which means that the companies have to become transparent with prices, costs and profit margins. Thus the more accessible the information about products, technologies and systems is, the more the accessibility increases the desirability to create new levels of transparency. Prahalad and Ramaswamy also suggest that transparency of information is essential to build trust between institutions and individuals. (Prahalad & Ramaswamy, 2004)

Prahalad and Ramaswamy (2004) believe that putting all these ingredients together enables the companies to better engage their customers in collaboration. Continuous experimentation with access and risk assessment may lead to a new strategy, business model or design – making co-creation experiences come true. Transparency, on the other hand, assists in creating a mutual dialogue between the company and the customers. (Prahalad & Ramaswamy, 2004) Next, we are going to talk about how these ingredients yield to the co-creation.

4.2.2 Combining the Ingredients of Co-creation

According to Prahalad and Ramaswamy (2004) combining transparency and access gives the customer a better ability to make informed choices while coupling dialogue and risk assessment increases the ability to discuss and co-develop both public and private policies. On the other hand, putting access and dialogue together gives a possibility to develop and sustain thematic communities. Mixing transparency and risk assessment increases the co-creation of trust. A customer who is engaged in co-creation with the company has to have trust in it. (Prahalad & Ramaswamy, 2004)

As we have now presented the main ingredients of value co-creation and explained how these can be combined, we would next like to go deeper into the value co-creation and discuss how (the experience) and where (the forum) the co-creation takes place. Prahalad and Ramaswamy (2004:33) state that, “The tension manifests itself at points of interaction between the consumer and the company – where co-creation experience occurs, where individuals exercise choice, and where value is co-created.”

4.2.3 The Co-creation Experience

According to Prahalad and Ramaswamy (2004) one has to understand the difference between customers’ and companies’ thinking in order to succeed in the new world. The shift to co-creation mode is not that simple and just understanding the new framework does not create any value. Companies have to interact with the customers more intensely to create the co-creation experience. (Prahalad & Ramaswamy, 2004)

Previously the physical product has been the vessel of the value¹³ and the customers’ experiences have not received any attention. The focus has been in the efficient production, logistics systems or in the high technology. This kind of company thinking brought products with rich features but poor experiences to the markets, which in turn creates confusion, doubt and anxiety. However, as the customers’ level of knowledge and sophistication increases, their tolerance for irritants will shrink and they will react with annoyance, deep cynicism or even anger. (Prahalad & Ramaswamy, 2004)

After identifying the basic characteristics of co-creation Prahalad and Ramaswamy (2004) reach a conclusion that the *quality of interaction* between customers and the company is the crucial linkage in the future of competition. It seems that the reality of interaction diverges considerably from what the

¹³ Further reading: *Competitive Advantage: Creating and Sustaining Superior Performance* (Porter, 1985).

traditional approach propose (Prahalad & Ramaswamy, 2004). Table 2 shows these differences between the traditional exchange and co-creation experiences:

TABLE 2. MIGRATING TO CO-CREATION EXPERIENCES (PRAHALAD & RAMASWAMY, 2004:50)

Migrating to Co-Creation Experiences		
	Traditional Exchange	Co-Creation Experiences
Goal of Interaction	Extraction of economic value	Co-creation of value through compelling co-creation experiences, as well as extraction of economic value
Locus of Interaction	Once at the end of the value chain	Repeatedly, anywhere, and anytime in the system
Company-Consumer Relationship	Transaction-based	Set of interactions and transactions focused on a series of co-creation experiences
View of Choice	Variety of products and services, features and functionalities, product performance, and operating procedures	Co-creation experience based on interactions across multiple channels, options, transactions, and the price-experience relationship
Pattern of Interaction between Company and Consumer	Passive, firm-initiated, one-on-one	Active, initiated by either company or consumer, one-one-one or one-to-many
Focus of Quality	Quality of internal processes and company offerings	Quality of consumer-company interactions and co-creation experiences

Prahalad and Ramaswamy (2004) make some distinguishing remarks about these two approaches. Traditionally the goal of the interaction has been value extraction, which occurs in the exchange process but in the co-creation approach the goal of interaction is twofold: the value is not only extracted but also created. Furthermore, the traditional point of view has been that the interaction and value creation take place at the end of the value-chain instead of being there constantly. Last but not least, the notion that in the traditional approach the quality is based on what the company offers, and not on how the customers co-construct their own experiences. (Prahalad & Ramaswamy, 2004)

The next interesting question is, where should the game be played? How have the markets changed when time has passed by? What are the marketplaces for the co-creation? In the following section we discuss the change of the markets as they, according to Prahalad and Ramaswamy (2004), today resemble more a forum.

4.3 Market Concepts

According to Prahalad and Ramaswamy (2004) companies can create experience environments and build experience networks but they cannot by themselves create value to be exchanged on a market. This idea leads us to the question of markets: what is the concept of the new, co-creation market? Before we go to this question we need to clarify how the markets have been perceived traditionally.

4.3.1 Moving away from the Traditional Markets

To be able to see how the market has changed we need to have a look at the traditional view of the market concept. The word *market* suggests two different images: *aggregation of customers*, which means that customers have to select from company’s offerings, and *locus of exchange*, in which company trades its goods or services for customers’ money. The concept of co-creation of value challenges both of these images. (Prahalad & Ramaswamy, 2004)

Traditionally the markets have been very company-centric and the customers have had a passive role in the markets, as they used to be only purchasers. Customer relationship management was understood as targeting the customers, and the locus of interaction – the market – was for economic value extraction. By having this view, the market had different and separate roles and meanings for the company and the customers. The value creation process was isolated from the market that emphasized value exchange and value extraction (see left side of the Figure 2). (Prahalad & Ramaswamy, 2004)

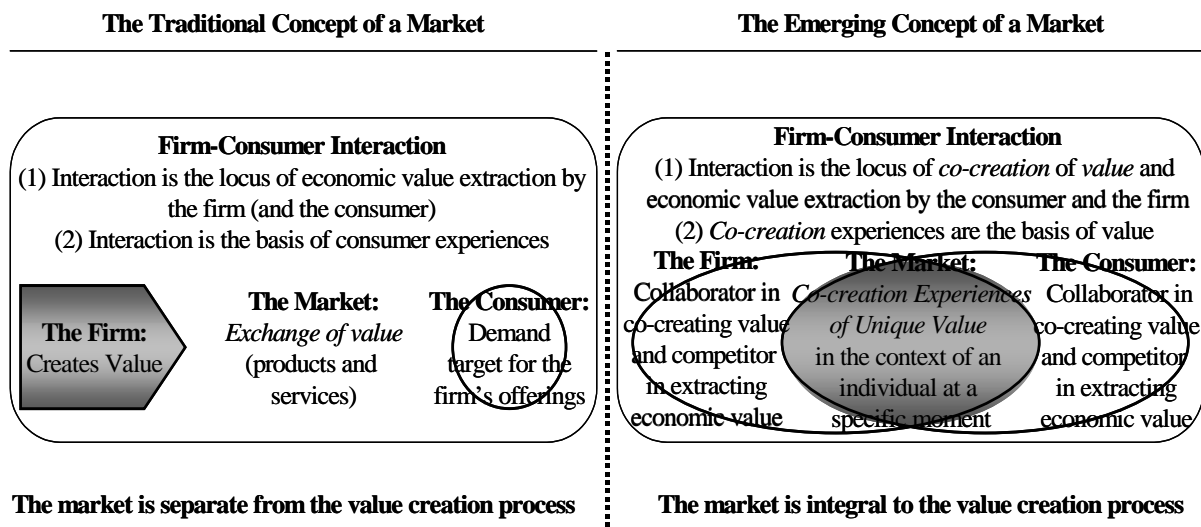


FIGURE 2. THE CONCEPTS OF MARKETS (PRAHALAD & RAMASWAMY, 2004:120,122)

As customers are increasingly becoming more knowledgeable and aware of their negotiating power, companies have to adapt their negotiating habits, implicitly if not even explicitly. As the business environment is more transparent today than ever before, customers are more willing to negotiate the price and transaction terms with the companies. Prahalad and Ramaswamy (2004:121) state that: “We are moving toward a world in which customers can assess their own value to the firm and use this knowledge in negotiation.” More important than this is the realisation that the value is more and more associated with individual co-creation experiences. The products and services are no longer the basis of value instead the real value is embedded in an individual co-creation experience. Therefore, as Prahalad and Ramaswamy (2004) believe, the customer-company interaction becomes the core of the value creation. Contradictory to the traditional market concept view, the co-creation view proposes that all points in customer-company interaction are possibilities for both value extraction and value creation. (Prahalad & Ramaswamy, 2004)

The other image, aggregation of customer, is also challenged by the new value creation space. Companies cannot control how the individuals co-construct their experiences even though they can partially have control of the experience environment and the networks built to facilitate co-creation experiences. The new paradigm leads to view market as a forum. (Prahalad & Ramaswamy, 2004)

4.3.2 The Market of Co-creation – Market as a Forum

As the right side of the Figure 2 above shows, the market is undividable from the value creation process, both the company and the customer are collaborators of the value creation, and competitors for extraction of economic value. The market resembles a forum for co-creation experiences where open dialogue can take place and in which the individual constrains and choices define her willingness to pay for experiences. (Prahalad & Ramaswamy, 2004)

According to Prahalad and Ramaswamy (2004:122) companies have to focus and deal with three issues when joining the forum: “*evolving communities of customers*”, “*address the heterogeneity of interactions*” and “*co-shape the expectations*”. The authors propose that the customers’ role is to co-shape the experiences with the company.

The ideas that Prahalad and Ramaswamy (2004) express are not extremely new even though the authors present them as such. As we have learned, there has been a discussion of creating experiences for and with the customers before Prahalad and Ramaswamy. Therefore we will next present what these authors propose.

4.4 What is an Experience?

Pine and Gilmore (1999:2) state that: “When a person buys a service he purchases a set of intangible activities carried out on his behalf. But when he buys an experience, he pays to spend time enjoying a series of memorable events that a company stages – as in a theatrical play – to engage him in a personal way.” The companies cannot anymore provide only goods or services alone but also the resulting experiences, loaded with sensations, and created within the customer (Pine & Gilmore, 1999).

The experiences are inherently personal while the products and services remain at neutral level. Experiences arise in a person who has taken part on an emotional, physical, intellectual or even spiritual level – no one can have the same experience. An experience originates from the interaction between the person’s prior state of mind and being, and a dramatic event. (Pine & Gilmore, 1999) “While the experience itself lacks tangibility, people greatly value the offering because its value lies within them, where it remains long afterward.” (Pine & Gilmore, 1999:13) One does not have to be an expert to say that wrapping the experiences around the company’s goods and services gives an opportunity to differentiate and enhance the business. The key question is how to engage the client in a process consultancy setting, to turn the service into memorable event. Next we are going to explore how this could be done, thus, we will introduce the experience realms.

4.5 The Experience Realms

Pine and Gilmore (1999) state that there are many dimensions in which the customer can be engaged in an experience. These dimensions are presented in Figure 3. The first dimension (horizontal axis) describes the level of customers’ participation, passive vs. active. At one end the customers do not directly affect or have an influence on the performance or event, and thus have a role as a listener or observer. At the other end of the spectrum a customer actively participates and affects the performance or event, which then results in an experience for the individual. (Pine & Gilmore, 1999)

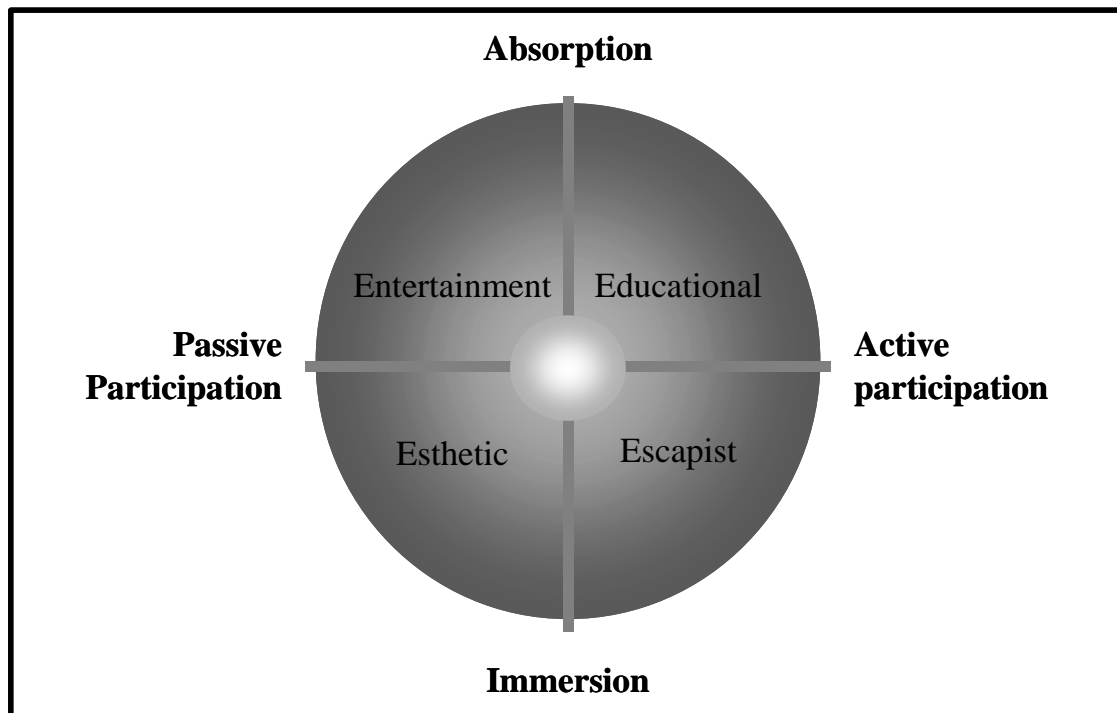


FIGURE 3. *THE EXPERIENCE REALMS* (PINE & GILMORE, 1999:30)

The other dimension (vertical axis) illustrates how the customer unites the event or performance. Furthermore, it shows the connection or environmental relationship between the customer and the event. Absorption lies at one end of the spectrum, engaging a person's attention by bringing the experience into the mind. At the other end, immersion shows how the customer becomes a part of the experience itself – physically or virtually. Putting this in other words in the first end of this dimension the experience 'goes into the customer', in the latter the customer 'goes into the experience'. Combining these dimensions determines four 'realms' of an experience: entertainment, education, escape, and estheticism, as shown in Figure 3. (Pine & Gilmore, 1999) Next we are going explain each of the realms separately.

The Entertainment

Pine and Gilmore (1999) state that in the first realm a person is passively absorbed in the experience through the senses, e.g. in viewing a performance, reading, or listening for pleasure. Typical of this realm is that an individual is amused by something. In contradiction of what people usually think entertainment is not the only way to create experiences (Pine and Gilmore, 1999).

The Educational

In the educational experience an individual is an active participant in an event and absorbs the events unfolding before her. An educational experience has to engage the mind (intellectual education) and/or the body (physical training) in order to make the individual fully informed, more knowledgeable and skilful. (Pine & Gilmore, 1999)

The Escapist

Compared to the entertainment and educational experiences the escapist requires larger immersion to create a memorable encounter; moreover it is reversed picture to pure entertainment experiences. The escapist experienced person has an active role in an event in which she is entirely immersed. In this stage an individual becomes an actor in the actual performance. (Pine & Gilmore, 1999) Pine and Gilmore (1999:34) note that “*Escapist experiences are not just about embarking from but voyaging to.*”

The Esthetic

In the last realm, the esthetic experience, the individuals immerse themselves in an event or environment without having an effect on it, leaving the environment as it was. The esthetic experience individuals remain passive, thus remaining more an observer without a notebook. (Pine & Gilmore, 1999)

To summarize each one of these realms with a simple word, Pine and Gilmore (1999) propose that educational experience want to *learn*, escapist to *do*, entertainment to *sense*, and esthetic to *be*. To enhance the experience companies have to blur the boundaries between these realms. Pine and Gilmore (1999) suggest that in order to create the most out of an experience one has to be able to encompass all the four realms. Thus, the authors persuade us to look at the ‘sweet spot’ of the framework, which is in the middle of the model. When designing enriching, compelling and engaging experience, the company should not select just one realm: it should utilise the whole experiential framework to create and enhance the experience for or with the customer. (Pine & Gilmore, 1999)

Prahalad and Ramaswamy (2004:75) have adopted these ideas in their co-creation framework as they state that, “If we understand the personalization of interactions, then we can build toward a more personalized co-creation experience.” With interaction here the authors mean the interaction between a single customer and an experience environment, which can be interpreted as the experience realm.

“The sweet spot for any compelling experience – incorporating entertainment, educational, escapist, and esthetic elements into otherwise generic space – is similarly a mnemonic place, a tool aiding in the creation of the memories, distinct from the normally uneventful world of goods and services.” (Pine & Gilmore, 1999:43) According to Pine and Gilmore (1999) this gives a person the possibility to enter and to return into the experience, repeatedly.

As we have seen, the interaction is an important part when creating an experience but what are the required building blocks in a good interaction between the participants. This will be explored next from the consultant’s point of view. What kinds of social skills are required in order to create a good relationship with the customer?

4.6 Interaction and Social Intelligence

Baron and Markman (2000) propose in their article, *Beyond social capital: How social skills can enhance entrepreneurs’ success*, that the social skills and the social capital are the two most important factors in building a good customer relationship. Even though this article is first and foremost written for the entrepreneurial business, we argue that these factors also are important in the process consultancy business. The reason for our argument is based on the similarities that we see in the businesses, where both consultants and entrepreneurs often find customers within their social networks and where this relationship to a large extent is built upon a good interaction. We also find the article to be fitting in accordance with the theory of co-creation, as stated previously. Keeping this in mind we will therefore use the article in a consultancy setting.

Starting with the Social capital, Baron and Markman (2000) argue that the social capital provides a person with a social identity that can be transformed into tangible benefits. These benefits might include an enhanced and accurate access to information but also increased cooperation and trust. Furthermore, they argue that entrepreneurs with a big social capital based on networks are more likely to find monetary capital, something that we relate to the consultants ability to find new customers.

How are the social capital and the social skills related? Baron and Markman (2000) explain that a person’s social skills are often directly related to the amount of the social capital she possesses. They also purport that a good reputation can be built up with social skills. Therefore, we now turn our attention towards this area where Baron and Markman (2000) have identified four areas of interest. It should be noted here that these areas have been chosen with two criteria in mind: the relevance of the social skills as an outcome in a

business setting and the skills that are crucial for the consultants' success. The areas of success include: *Social Perception, Impression Management, Persuasion and Influence* and *Social Adaptability* (Baron & Markman, 2000).

Social Perception

This area refers to the ability to understand other human beings. It refers to the ability to understand the current moods, emotions, underlying motives and the personal characteristics of a person one might meet in daily work. This is a very important skill since people have a tendency to hide the real motives and intentions as well as to show themselves in a positive light. (Baron & Markman, 2000)

In the relationship between the consultant and the customer this ability might be very useful, not only when setting the parameters of the project, but also during the whole process. This can be exemplified by the presentation that most consultants have to do before a project is bought.

Impression Management

According to Baron and Markman (2000) impression management refers to the picture one gives of oneself when meeting people. Being skilful in this area will of course be helpful in obtaining assignments, but also in spreading a favourable reputation about the company. This can be done by enhancing the image and appearance of the employees as well as the company. (Baron & Markman, 2000)

We believe that the social skills of a person create the overall image of the consultancy company, whatever it might be. Consultants need to be able to relate their image with the need and preference of the customer to be successful in their work.

Persuasion and Influence

As it is a common fact that people have different views of how the world should function, Baron and Markman (2000) believe that it is important to be able to persuade and influence others attitudes or beliefs, thus, changing their actions into desired behaviours.

In a consultancy setting this becomes important when the process consultants tries to add inspiration to the co-creation of value. If the consultant fails to influence the customer with their knowledge, why are they there then?

Social Adaptability

The persons who have this skill are like social chameleons, talented at adapting their behaviour to any social situation, and the same time feeling comfortable with themselves. Therefore, people with a high social ability are able to talk with anyone about whatever, and with whatever background. Research has also shown that people with this ability attain greater success and rise through companies much faster than those who do not obtain this skill. (Baron & Markman, 2000) Obviously this skill influences the success of a consultant, as a process method often includes meetings with people on different levels of the company.

We are familiar with the fact that there are several theories of social skill and hope that we here have shed some light on the subject. As we can see the social capabilities are derived from an individual's personal and social identity; how one behaves and uses these skills depends how well a person knows herself. Thus, we believe that the identity plays a key role when creating a good relationship and interaction, which in turn should create value. As we think that the people construct the company, the company's identity entails and relates to people's values as well, but is it really like this? Next we will examine how identity could be used in order to create value.

4.7 Identity as a part of Value Creation

Identity, here, does not indicate the names, symbols, slogans, logos of a company, nor a vision or mission statement, but "the unique characteristics of an organization, or individual, which are the integrated results of particular mental, physical, and emotional capacities." (Ackerman, 2000:2) With an identity Ackerman (2000) means a company's true identity, which has its roots deep in the organisation and encloses its own integrity. Answering the following question gives knowledge of a company's identity: "*who we are, what we stand for, how are we different, and where do I fit in?*" (Ackerman, 2000:x)

Knowing oneself entails knowing one's identity on an individual level. According to Ackerman (2000), this logic can be used in an organisational context as well. Further, he propose that if the members of an organisation recognise and are loyal in their actions toward an organisation's identity, the organisation will more likely to meet its own destiny (Blackburn, 2000).

Ackerman (2000) suggests that the identity is 'a wellspring' of value creation. According to Ackerman (2000:27) "value creation is where business and life converge. It is the 'way in' to the realm of identity, the path to knowing who

we really are, and what we truly stand for.” Deriving from this statement the author believes that the dynamics of value creation relate to discovering one’s identity. Finding out the patterns, reappearance and similarities of the organisation’s way of working, reveals the story of value creation. (Ackerman, 2000)

As identity, according to Ackerman (2000), contains the answers of value creation it is vital to understand the usefulness of the identity. However, he reminds us that a company has to understand all the various levels of value creation – human, business, societal and economic. “Once that identity is clear, it is everyone’s job to exploit these factors in ways that serve identity so they will become natural allies in the continual process of profitable growth through institutional achievement” (Ackerman, 2000:39).

This can be linked to the organisational identification where “organisational values and beliefs become part of one’s identity” (Kreitner, Kinicki & Buelens, 2002:128). Langlois (2001:7163) supports this in his writings while proposing that: “It is no longer possible to separate personal and collective identities.” Further he suggests that today various social networks and groups form our identity. This is also noted by Kreitner, *et al.* (2002) who claim that people with a strong organisational identification are very concerned about a company’s welfare and thus they relate the work to something central to their lives. According to Dessler (1999 in Kreitner *et al.*, 2002) the employees who integrate their self-identity closely with the company are more loyal, committed and effective towards the company they are working for than the other employees.

5 EMPIRICAL DATA

In this chapter, the empirical observations will be presented with the help of four cases and a matrix. The matrix was created to give a more holistic, and somewhat more simplified, understanding of the material, which can be found in Appendix 1. The chapter begins with a description of the main case company, ABOY, and continues with summarising the conducted interviews. This is followed by three client cases (1-3), which we believe to be excellent examples of the material that we have found.

5.1 Case Company - ABOY¹⁴

ABOY, a consultancy company in Sweden, was founded in 1995 by couple of persons who wanted to work with a more humanistic consulting approach, and with a commitment to find and answer the “new” questions that arise in an ever-changing world. With the head office located in one of the bigger cities in Sweden, the company today consists of 54 employees with a combined knowledge that ranges from management consulting to areas within the advertisement industry.

ABOY is active in both the public and the private sector and, to stay in the frontline, the organisation tries to adapt to an ever-changing market by gathering knowledge from the academic society. This knowledge is then refined to suit the needs of the clients. Therefore, ABOY has developed a close and consistent relationship with different Universities and SoL (Society of organisational learning) where they seek new knowledge and experiences, which subsequently should help them to develop their own, as well as their clients’ organisation. This is important as ABOY strives to create a connection between the more formal, explicit knowledge (strategy, financial management and the organisational structure) and the more informal, implicit knowledge (climate, values and identity), something that will be described more in detailed below.

5.1.1 Business Areas

The main business areas that ABOY works within today are: organisational development, management control, marketing and strategy. The breadth is seen as a necessity as the company tries to create something whole and concrete of all the small parts of reality.

As mentioned above, ABOY wishes to work with the foundation of strategic choices. This might include company analysis, benchmarking, and scenario

¹⁴ Internet source, ABOY’s Intranet, ABOY’s documents (business concept, offers), and interviews with consultants

planning where the goal is to create a long-term strategic action plan with conscious strategic choices. Another area, the organisational development, encompasses everything from process mapping, organisational analysis and the development of information systems to managerial development and the creation of learning organisations.

In the management control area, ABOY wants to help clients in creating and modifying existing report routines as well as in implementing information systems. The aim in this area is to create managerial control systems that are integrated with the organisation and work in reality. Finally, ABOY works with business development. This area focuses on helping clients to identify inner and outer obstacles, driving forces and possibilities as a support in the development of their business idea. The aim is to support the client in establishing a long-term profitable client relationship.

5.1.2 The Business Concept of ABOY

ABOY has a declaration of what they aim to achieve – their ‘business concept’. This is the base of ABOY’s organisational culture, its identity. The creation of this concept was a process in which all employees of the company participated. Something that was done to gain common a common understanding of what the company wishes to achieve.

As the business concept states, ABOY wishes to work with the individual in the company. By establishing inducements for involvement, engagement and good communication, they believe that a sustainable development can be reached. It is the firm’s belief that this should be done by using dialogue and by learning to listen, rather than having one person deciding what the course of action should be. At ABOY they believe that by creating a common objectives and similar mental models, it will be easier to steer the organisation towards what it wants to achieve. *“The [business concept] ideas should not be seen as a product in itself but rather as a tool for success”*, states one consultant.

Finally, the business concept is the documented identity of the company; it is a tool that is regularly used both within the organisation, but also when working with the client.

5.1.3 Narratives of ABOY’s Consultant

ABOY and Its Consultants

According to the employees ABOY is a big strong ‘family of professionals’, in which freedom, engagement, openness and communal responsibility are the

fundamental values. There is not much of hierarchy in the company and the organisational structure is perceived to be rather flat by the employees. Moreover, the possibility to be what you really are, is something that ABOY's employees highly value. There is no dress code, no uniforms in the company, *"we want to be like Barbapapas, show and allow different shapes."* There is also, according to the interviewees, a great concern for fellow workers and there prevails an atmosphere that is filled with friendship, collective success and joint enjoyment. *"Employees have a tendency to be positive and involved within the company and towards its clients and there seems to be a strong connection between the employees"*, says one of the employees.

The employees think that the organisation has a culture with knowledgeable and competent people with a strong development perspective, both within the company and towards its clients. They also believe that there is a big opportunity for a personal development, both as an individual and within different areas of knowledge. *"Here everyone gets to create his/her own platform and develop."* The consultants see that everybody is invited into the development work of the company and everyone can contribute to this with passion, hard work and creativity without forgetting the free will. The culture is expressed by different words: 'culture of capability', 'achievement oriented culture' and 'freedom-responsibility culture'.

One of the employees states that ABOY has very 'high class' consultants who want to do something above the ordinary. Another says that *"the company is a mix of semi-rebels that are not totally crazy lunatics but want to challenge the prevailing systems and see if this would be better like this or like this."*

ABOY's Way of Working

At ABOY there is no such a thing as standardised solution for the problems that arise. Instead, the company uses a toolbox from which they pick the appropriate tools that they believe could help them to solve the task. This means that there are as many ways of solving the task, as there are consultants or tools. However, it is important for all of the consultants to follow the guiding assumptions and values of the business concept in whatever they do. As one consultant reveals *"the "business concept" colours everything (we do) to some extent... .. we don't anyhow want to violate against clients identity."* The main idea is to engage people in the process and to get them to participate actively.

As ABOY enables the client to take part and work to find the solutions together with them, the interviewees believe that they are not a quick-fix solution company. Furthermore, the interviewees believe it important to find the right problem, as the problem that client has created sometimes is not even close to

the real problem. By asking questions the consultants try to explore and dig deeper into the problem. By doing this they put the emphasis on the process and involving people, something that sometimes takes more time. One of the most critical points in the process, as the consultants see it, is to create a shared understanding of the topic. “*What does a dialogue mean to you?*” one of the consultants starts the discussion. Moreover, it is essential to create and learn a common language that everybody can understand, the consultants confirm. The aim is to build a solid ground, another confirms.

When moving forward in the process ABOY wishes to show the tools it has and to teach a client to utilise them. They show how to learn to work with these methods. They are not just going to leave a report on the desk, as they want to create learning and understanding. The way to achieve this is to listen to the client, identify the right problem, realise the problem, create a joint game and then find a solution that fits best to the situation. “*Everything is about how’s*”, says one of the consultants. As a consultant we have to understand a clients’ business and accept their knowledge and experience. After this we can help them to help themselves. How can we do this better, how we can create something here?

The most important aspect in this way of working is to leave the tools and methods for the client, in the company, so that it can keep up the sustainability and learn to learn in a longer sense and continue the development in the organisation, the consultants philosophise. “*In many cases we serve as builders of capacities and competencies... ..we create the ability to get the work done for the client.*”

However, it is not always possible to work as a capacity builder depending on the situation that the client is in, e.g. downsizing, or because the assignment is more expert oriented. Then this way of working does not have meaning. But still as one of the consultants puts it “*we solve problems in a different way and with different I mean that we solve the problem with the client, in the larger extent than the other firms do.*” As one of the consultants believes they act more as psychologists and doctors in the company.

What Do the Clients Think about ABOY?

A majority of the consultants, whom we interviewed, believe that being different and having a different approach to the problem attracts clients. Some clients are interested and attracted by trying new ways of involving people within the organisation and, of course, how ABOY can help them to solve the problem. On the other hand, as the interviewee believes, it may be that ABOY might as well lose some clients because of its originality. The consultants

should create “a-ha” experiences for the client during the process, says one of the interviewees.

Most of the consultants believe that the clients think that they are good individuals and consultants, both in the areas they work with and also at running the project. ABOY’s employees believe that there is trust between the consultants and the client and thus the client have a tendency to see the consultants and not the company. *“Most of our clients have a relationship with one or couple of people working here, and since you have that relationship it doesn’t have any effect if you are from ABOY or what ever company, because they buy a person”*, says one of the consultants. This is something that they would like to change at ABOY.

The Perception of Value Creation

The consultants have many different views and ideas about value creation. One of the consultants’ comments was very striking: *“If you are not creating value for the client there is no reason to exist.”* There is a dilemma between valuing tangible and intangible assets. The first is easier to get paid for since it is harder to understand feelings and other softer issues, a consultant states. A common theme of all of the comments is that value is created when a consultant brings something to the client’s organisation that does not exist there, or that the clients are not able to do themselves. These can be then whatever varying from resources such as time and ‘manpower’, to knowledge, competence, understanding, the possibility to involve and engage people, or, as one of the consultant philosophies *“on a meta-level this means to acknowledge the gap or void and fill this and that is value creation.”* This void can be lack of answer to a question, e.g. How to optimise warehouse/stock? How to create a data warehouse to control organisation? Why do we exist? What is this organisation for?

Another shared opinion is that the value creation is something lasting, sustainable and on going. The most important in this is to leave the tools and methods to the client and teach them to utilise these, says the consultants. The consultants believe that the value creation is in the process that they have with the client even though they remind us that of course it may be sometimes that the value is created by being an expert and giving direct advices or solutions to the clients.

The consultants name a huge range of value creating activities. The following is a list of the most frequent answers: listening, creating understanding, sharing the language, gathering the people, having a dialogue with the client, giving an objective view by being the third eye, and last, simply being with the client.

Moreover, as one consultant proposes, it may be sometimes value adding for the client not to do a project that they want to do. What many of the consultants see as value adding for the client is that they are able to explore and provoke the client's thinking, creating perhaps even a bigger problem. The other activity most of them claim to be value adding is their ability to mirror the client, give an objective view and teach them to live with the continuous development process.

Even though the process is really important and it involves people it may not always be the client's company, which reaps the benefits. According to some of the consultants they sometimes create the value on a personal level, meaning that what ABOY does is valuable for the person engaged. As one of the consultants says: *"In someway I solve their personal problem... ... someway we add more to the person that we add to the firm "*. Another one supports this by saying that *"to help a person within the company and make him better at his work is value creating."* Sometimes value creation for client may be as easy as saying that *"we are taking care of this."*

Most of the consultants believe that they could create more value for the client by creating more personal experiences and personal development, creating 'aha' experiences to them – something that is lasting, have an insight, and is immaterial. One way to do this, would be to have an opening workshop where the clients learn about ABOY's concepts and use this as a stepping stone to get a deeper relationship with the clients. Relating to this some of the consultants declare that more value could be created by having a more familiar relationship, to add personal side to the professional relationship. One consultant has a strong belief that if ABOY would be invited to participate deeper in the client's business they could add more value.

One opinion that is put forth is to develop ABOY constantly and make the company and its employees better by providing training and learning which in turns then creates value for the client. Consultants also think that by mixing different kinds of consultants and expertise from different areas, they could provide more perspectives for the assignment, and thus add more value for the client. Some consultants wish to have more meetings and learning labs with the clients and believe that through this they could add value to clients' business. One comment that is put across is that perhaps ABOY could be paid more according to the value created, and not by hours.

When is value created then? There are several different views about this amongst the consultants. One of them believes that value is created during the whole process, and is everlasting if ABOY is able to leave the client the tools to continue. Another one thinks that it is hard to say exactly but then proposes

that it is in the beginning of the project or when the ‘product’ is finished, when things that are done work in the organization. One consultant argues that “*one can see when it happens, it is rather tangible which is the odd part, you see when people are thinking those kinds of things that they never have thought about before, they start to do things in a new way, and something that was impossible before becomes possible.*” Furthermore, the consultant proposes that this all goes back to the trust: one has to be accepted in order to be able to create something you would never think before.

The Customer Relationship

The consultants agree that the customer relationships should be pointed to a longer period of time, and thus they almost unanimously believe that the relationship should resemble a partnership, in which both participants give and get something, learn from each other, to create win-win situation. According to the consultants such a relationship cannot be achieved without trust, openness, respective, and personal involvement. They also argue that building a trustworthy relationship is a tricky thing to do. First one has to prove how good one is and do the things that one promised, not to let the client down. And then at the same time show how capable and trusted one is, explain the consultants. One statement that is put forth is that “*by being self-confident in a humble way you build the trust with the client. In order to work together with the client the trust has to be mutual. The trust is built by listening, revealing, showing yourself, checking if we like each other or not and through accepting.*” Another point that is put across is that to build a trustworthy relationship with a client does not differ in anyway from creating a personal relationship.

5.2 Clients of ABOY – Sub-cases

5.2.1 Case 1

The organisation, located in the southern part of Sweden, is a municipal with approximately 100.000 inhabitants. The municipality employs around 13.000 persons and has for many years tried to adapt the municipal organisation to the ever-changing society.¹⁵

The Project Description

In 2001 the executive committee of the municipality found that based on a research in the beginning of the 1990’s, the community was run in a costly and inefficient way. Based on this report the leaders of the municipality started to

¹⁵ Internet source

look for a common system within the municipality, which they hoped would help them to develop trust within the organisation. The project was launched in 2001 when the new chief executive was hired. The new chief executive of the municipality had previously come in contact with one of the consultants at ABOY, which eventually led to the given assignment.

ABOY's assignment was to support the municipality in their work to create a vision, goals and a new management accounting tool. The more specific work description declared that ABOY should act as advisor, sparring partners, and that the consultants should teach the Balanced Scorecard method.

The municipal executive committee was in the workshops¹⁶ asked to sit in a circle and discuss questions supplied by ABOY. These questions covered everything from, “*What is the mission of the municipal executive board*” to “*How do we want to work with a new management accounting tool (Balanced Scorecard)?*” The principle, which guarded the conversation, was that everyone should speak openly, listen to others, reflect upon the conversation and respect the opinion of other persons.

The Image of the Consultant

When hiring consultants an important thing is that they are not out to sell a concept, but rather that they have a wish to develop something together with the buyer, says one of the persons interviewed. This is also shared by the two others, whereas one of them states, “*They are engaged...it feels like we should do things together*”, something that is directly related with their work with ABOY.

Continuing their discussion on ABOY there is a general agreement amongst the individuals that the (special) philosophy of ABOY is important. When asked how they perceive it and why this is important all the interviewees again mention the significance of doing things together. One interviewee also points out that the philosophy makes ABOY into an exciting company, and that it therefore is fun to work with them.

The most important and also appreciated differences between ABOY and the interviewees' prior experiences with other consultancy companies are the process thinking and the ability to build a trustworthy relationship with this method. A majority also points out the importance of good communication,

¹⁶ ABOY has, at the time of writing, worked continuously with the municipal, since the start in 2001. Due to this, there has of course been a wide range of methods used in the different projects. Here we aim to describe the first method, which was used within the municipal executive committee.

where the consultant should both be able to give ideas but maybe more importantly, to be able to listen.

The Perception of Value Creation

According to a majority of the interviewees the continuous dialogue that the consultants initiate creates the value. This dialogue has created a shared learning where ABOY, as a third eye, has been able to help people to understand new ways of thinking by diminishing the territorial thinking that characterised the prior organisation. One individual states: *“In the past, when we had meetings, there were always a feeling of – I have the most important department, something that has disappeared with the introduction of the process thinking and the dialogue”*.

Furthermore, one person believes that just having the consultants listen to the problems within their daily work life creates value. When asked why this is so, the person answers that many new ideas of improvement have been based on these discussions where ABOY has been able to create pictures of the thoughts and thinking of the process members.

The interviewees have different opinions on when the actual value of the consultants work is created. One person believes that the value is created already when you embark on the project while another believes that it is created when the knowledge has reached the whole organisation. The third person believes that the value can be created in the beginning if you believe in the new ideas while it also can be valuable in the long run when the result is shown.

When asked how ABOY could have created more value, a majority of the interviewees believe that the value is created continuously along the way. They feel that the development must continue for it to be valuable for the organisation and that this is mainly built upon the trust between the organisations. *“It’s a journey together, to develop the success”*.

Two more opinions worth mentioning are that one person thinks that ABOY sometimes gets too theoretical and that another thinks that the consultants did not really tie up the sack before leaving. *“In the end it felt like they just disappeared, maybe it would have been better to have a period of transaction period where the consultant can state that we know what we need and that we are able to manage ourselves.”*

The Customer Relationship

A majority of the persons believe that it is important to have an open and honest relationship, something that should be built on a mutual respect. They feel that it should be a clear customer-supplier relationship but that this has to be complemented with a more personal dimension.

When asked about feedback sessions, only one has experiences of these. This person meets a couple of times per year with ABOY and discusses the future development. The other two interviewees mention that they really miss this experience, as they believe that it would have been beneficial.

There is a general agreement amongst the interviewees that learning labs would have been interesting. One of the persons mentions that he suggested it a couple of times but that he did not get any response. The others philosophy about the possibilities of such a lab, “*It would be interesting to have an open house.....Do we have a common picture of what has happened*” one of the persons states.

5.2.2 Case 2

The company is one of the largest real-estate company in Sweden, with about 30.000 apartments for hire. The company employs around 400 persons and has a turnover of approximately 3 billion Swedish crowns. The number of apartments it manages makes the organisation into on of the largest real-estate companies in the area where it operates.¹⁷

The vision of the organisation is to be the leading landlord in its region, which develops the living of the future and modernizes the public housing sector in Sweden. This shall be done with the business concept, which in short states that the company should offer apartments and premises within an attractive real estate property to a market-oriented and competitive rental price.¹⁸

The Project Description

The company had a need to clarify the future project process and find a new system that more effectively could handle the budget and forecasting process. ABOY was assigned to engage in a traditional system development process, a project that included everything from developing the requirements of the system to supporting in the ordering of it.

¹⁷ Årsredovisning (Annual report) 2003

¹⁸ Ibid.

In this project ABOY worked in a traditional project group setting¹⁹ with approximately 6 members. In the work, the consultant from ABOY acted as support for the local project leader by sharing knowledge and prior experiences.

The Image of the Consultant

Amongst the persons interviewed at the company, there are several interesting opinions about ABOY, and consultants in general, that is worth mentioning. One opinion, told by all three, was that ABOY had a vast knowledge within their area of practice. One interviewee tied this together with trust building as the person promptly answered the question of how trust can be built in the beginning in the following way: “*To do a good job and to understand my problems (builds trust)*”. When asked why it is important to have trust in the relationship and how this affects the actual work of the consultant, the interviewee answered that one has to feel comfortable with another person to be able to open up and reveal what needs to be done.

Another interviewee also mentioned the importance of interaction, and appreciated that ABOY was very keen to understand and listen to the people. The same person adds that it even though they are good listeners it has not been a one-way communication, as ABOY often has challenged the thoughts of the company’s employees.

Another general opinion was that it was inspiring to work with ABOY, and that they were very positive as persons. This is something that is very important for a majority of the interviewees, as they believe that the organisation learns better then.

The Perception of Value Creation

According to all of the interviewees, value is created through ABOY’s ability to use theories to describe the reality. One interviewee says that this gives them the ability to move from a grey substance to something real and in order. Another interviewee instead exemplifies it with the “*Administrative Service*”, which ABOY helped to create within the organization.

A majority also believes that value is created by bringing in a ‘third eye’, that is someone who can view the problems without biases, into the organization. One person says that it therefore can be dangerous to use consultants for too long as they might lose their ‘third eye’.

¹⁹ See Appendix 3 for further clarification.

Two of the interviewees argue that value is created in the form of efficiency enhancement. One person states that the planning and ‘following up’ were very helpful while another person states that, “*We could have done everything ourselves, but I wonder how long it would have taken*”. When asked how value creation occurred in this definite case, one of the interviewees exemplifies that it was when building of the database. ABOY knew how to structure the system and had the knowledge of what specifications needed to be included in the ordering of the system, the interviewee continues.

Furthermore, all of the interviewees mention that it has been beneficial to work in a process oriented way, as you then gain a general acceptance in the organisation before the implementation, in this case, of the new system. There is also an unanimous understanding that values is created during this process, as people then learn and have the opportunity to affect the project. A majority also believes that value is created in the end of the project when the “system” is implemented, given that the process has been successful.

The Customer Relationship

There is a general understanding amongst the interviewees that it is important to have a customer-supplier relationship and not a partnership. Even so, a majority says that they seek something more than a professional relationship in the consultant. “*It is important to have to have a social relationship, a deep contact, for the professional relationship to be good,*” one of the persons says. The same person also points out that there is a fine line between a good social relationship and a bad one. It should not come to the point when it is hard to say no to the consultant or where the consultant exceeds his authorities, an individual says. This apparently happened one time when the consultant brought up an issue on a management meeting, which the project leader did not know anything about. This was apparently handled very quickly but the interviewee would not want to end up in such a situation at all.

In the company the feedback has worked very well, according to the interviewees. In one project we were asked to put spots in a matrix system and then later discuss why we felt this way, one of the persons says. None of the persons feel that there is any need for any further feedback or for any learning labs. Two persons state that they solve eventual problems with the consultant while the third says that it would be easier to turn to another consultancy firm if anything would go wrong.

5.2.3 Case 3

The third case is a foreign company, which as of today is a part of a bigger concern. The business started in the early of the 19th century and is now made of two trading divisions. The company supplies luxury-clothing accessories mostly to private label customers. However, this is something that they plan to change as they now have produced a strategy which they eventually hope will lead to higher sales of their own brand. The company is active in a highly seasonal business, with 65% of the annual income in August and September. They employ around 47 people and have a turnover of about 50 million Swedish crowns.²⁰

The Project Description

After being acquired by an investment-company a couple of years ago the company's new owners felt that it was necessary to do a business analysis with a focus on the working capital of the company. The reason for this was that the stock numbers were unreasonable high. Subsequently, ABOY was asked by the new owner to find a way to decrease the working capital.

ABOY's philosophy in the project was to create a broad participation, something that was done by the construction of several project groups where persons from all parts of the company were present. The groups were formed according to the different areas of the business, with the exception of the managerial group, to whom the other groups reported.

The Image of the Consultant

According to the interviewees the consultants are hired because they give the company something that it is not able to cope with itself. "*Sometimes it may be as well that we don't have time to do things that we could do ourselves but we don't have time for this*", clarifies one interviewee. The consultants should bring in expertise and knowledge of those topics that are hard to handle and carry out with the internal, in-house competence they claim. Moreover, the interviewees think that the consultants should work as a third-eye and they should provide an objective view of client's business. And as one of the interviewees says, "*they have to have business knowledge, understanding...*" and continues that, "*they have to be able to relate to the others, gather people in the groups.*" It is important for a consultant to understand that there are certain skills in the company and appreciate this knowledge, another explains. Another one concludes that, "*the consultants are to add value to business.*"

²⁰ Data received from the interviews.

But unfortunately as one of the interviewees argues *“the feeling amongst many is that the consultants pick your brain and then they tell you what you already know.”* One person expects that the recommendations the consultants are to give should be clear and effective.

They all think that it is important from business point of view for consultants to know what they are supposed to do and what to look at in the company. *“It is important for the customer to know what they really want with the consultancy service”*, one of the interviewees says.

The interviewees think that ABOY’s consultants know what they do; they are bright individuals and understand the mechanics of the client’s business. Even though one states that it would have been beneficial if they would have known the business better already in the beginning, but they learned during the process. Furthermore, they believe that they were honest and they have the ability to get along with people. As one of the interviewees puts across: *“The people were very easy to work with. They were facilitators for us and they lubricated the job... ..and they provided the atmosphere and ideas... ..I liked their personalities.”*

The Perception of Value Creation

According to the interviewees it was in value creating that they were able to engage the whole organisation into the process and to the discussions. *“They created the atmosphere for us to sit down and discuss various aspects”*, says one of them. While the other one states that, *“ABOY managed to bring together people and management team.”* Another one supports this thinking by saying *“It was very beneficial... ..gave the management an opportunity to listening people... this gives (you) a lot as they see where they fit in the organisation.”*

One of the interviewee sees that primary issue with value creation is that the consultancy company has to be able to give the objective eye, to give some depths to business and continues that the project worked as a catalyst for a change thus it was kind of a spark to start to improve the business. Another one supposes that ABOY created a shift in the attitudes. The other one thinks that, *“they also were able to show where the problems were which motivated the organisation to change and improve the business.”*

As the interviewees think the consultants created value by providing resources, let the employees to work with their daily tasks, and through the fact that management didn’t have to sit and do the analysis, typing things in black and white. According to the interviewees, ABOY created value through the final report, which was filled with great analysis and an objective view. Beside this

they see that increasing the knowledge of working capital and its utilisations inside the company created value for the client. For example now they can understand why they should have lower stocks, and how they should utilise the stocks more effectively, illustrates one of the interviewees.

The interviewees have different views of when the value is created. One of them believes that value is created continuously during the process and that the value compounds yearly. Although all of them agree that value is not created on the first day, one person argues that, *“it is not definitely in the beginning, then it feels to be bloody waste of time and the value goes actually backwards.”* While the others think that the value can be seen in the end products and with the effects, even though one says that the value comes around after the first analysis when they give people a better appreciation of what they are doing. One of the individual’s concludes: *“The value is created in the end result, value can be measured in a way that if the cost of the exercise does not match with created value then what has been the point of doing the whole exercise?”*

The consultants could have taken a look at manufacturing side as well, the base of the project should have been broader says one of the interviewees and continues that it would give even more if they could have provided a more holistic picture. However, this arrives from the assignment, which was narrowed to investigate the working capital and to give suggestions to its betterment as the interviewee defends ABOY.

The Customer Relationship

When asking how the interviewees perceived the customer relationship, we received various answers. One of the interviewees states simply that, *“it was pure customer-supplier relationship”*, while the others think that it was more like a joint project where the personal relationships had a big role. They describe the relationship to be good, pleasant and personal, there existed trust and openness already in the beginning. There has to be this transparency – realms of reality, explains one of the interviewees. *“I felt the synergy, one and one makes three”* as one of the individuals answers when asking if they created something together. Contradictory to this the other one states that there were no co-creation elements involved because ABOY was ordered to do the job by another company.

Anyhow all of the interviewees think that the interaction between the consultant and the client is crucial. *“It is essential that the client and the consultant have confidence between each other, this underpins personal relationship, in which social skills are highly appreciated”*, states one individual. Another continues that, *“one has to create the harmony and this has*

to be done by discussing the issue in a language that everyone can understand.”

For the question do they see more a consultant or ABOY all the interviewees said that it is more a person they see and are working with. One interviewee claims: *“You remember the people, which is nothing against ABOY.”* The other one states that, *“the company is as good as the people in there.”* Last one of the interviewees reminds: *“Good job reflects back to the company.”*

The interviewees think that they have had a possibility to give feedback whenever they felt like it but no direct feedback was ever asked for by ABOY. There have been open dialogues during the project and it has not been hard to confront the problems. The common opinion is that it would be nice to have more feedback of what they have done, to compare where they were and where they are now.

5.3 The Matrix – A Summary of the Empirical Findings

Next, we will show the matrix wherein we have summarised the data from the interviews, see Table 3. The matrix is called as ‘Findings from empirical data’ since it is created in order to give a reader a picture what the clients as well ABOY’s consultants think about value creation: what creates value and when the value is created according to the interviews. The second part of the matrix illustrates, what kind of a customer relationship the interviewees perceive to have, or wish to have with the consultancy firm. In addition to this we also present some of the critical points in consultant-client relationship, which we have chosen to show in the image of consultant.

The parenthesis in the customer relationship part means that, even though interviewees stated that the relationship reminds us of customer-supplier relationship they thought that it is something more than that. For example, many mentioned that they felt that they created something together during the project, that there existed cooperation. We have marked these points in parentheses since we want to separate them from those cases where the relationship was perceived as pure customer-supplier relationship.

One has to notice as well that when creating the matrix we have not mixed the information from the different areas or combined the issues, which is why e.g. trust and creating new understanding are mentioned in two parts. This decision was made because the thesis authors did not want to blur the data by interpreting the interviewees’ words.

TABLE 3. THE MATRIX – A SUMMARY OF THE EMPIRICAL FINDINGS

		ABOY	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8	Case 9
Value Creation											
HARD	The consultants bring knowledgeable manpower	x			x					x	x
	The consultants have relevant experience (from other businesses, areas)						x	x		x	
	The consultants plan and structure the project	x	x	x						x	x
MILD	The consultants bring value and improve the business				x					x	
	The consultants provide 'theoretical' knowledge	x		x	x			x			
	The consultants act as the "Third Eye", give an objective view	x	x	x	x	x				x	x
SODT	The consultants create a dialogue and shared learning	x	x		x	x	x	x		x	
	The consultants create a process with a continuous learning	x	x	x	x	x	x	x		x	
	The consultants challenge the initial problem and create a new understanding	x	x	x	x		x	x	x		
SODT	The consultants aim to create a common language	x	x	x		x		x			
	The consultants listen to the customer actively	x	x						x		
	<i>When is the value created?</i>										
	When the project starts	x	x								x
	When the project is done	x	x	x	x		x				x
	When the focus is changed	x			x		x		x		
	During the process	x	x	x	x	x	x	x		x	x
	<i>How to create more value?</i>										
	Providing learning, training (e.g. feedback, learning labs)	x	x		x	x	x	x		x	
Customer Relationship											
HARD	A professional relationship with social and personal dimensions	x	x	x	x			x		x	x
	There should be a customer-supplier relationship		x	(x)	(x)	(x)	x	(x)			(x)
	There should be a partnership	x	x			x					
SODT	A good interaction in the relationship is crucial				x	x					
	Openness is important in the relationship		x		x				x	x	x
	Social skills are crucial in the relationship				x		x		x	x	x
SODT	To be accepted to be part of the team is important in the relationship	x									x
	To show respect is important in the relationship		x							x	
	Trust is essential in a relationship	x			x		x	x		x	
	The customer sees an individual consultant rather than PreEra	x			x		x	x	x		x
Image of Consultants											
HARD	The consultants should be professionals			x			x	x		x	x
	The consultants should bring value and improve the business				x					x	
	The consultants should have expertise	x			x		x				x
MILD	The consultants should have relevant (business) knowledge	x		x	x	x		x			x
	The consultants should possess relevant experiences					x		x			x
	The consultants are to lubricate the process	x			x	x	x				
SODT	The consultants should be engaged in the project	x	x			x				x	
	The consultants should be facilitators	x			x		x				
	The consultants should challenge the existing ideas	x	x	x		x			x		
SODT	The consultants should initiate dialogue		x		x		x				
	The consultants create a new understanding	x					x	x		x	
	The consultants need to gain trust	x	x	x			x	x			
SODT	The consultants need to listen		x	x			x	x			
	The consultants should be enthusiastic and passionate				x	x	x			x	
	The consultants should be honest				x	x		x			x
SODT	The consultants should be humanistic	x				x		x	x		
	The consultants should be inspiring			x		x					
	The consultants should be open	x		x		x					
SODT	The consultants should be pedagogical							x	x		
	The consultants should understand and get along with people			x	x	x			x	x	

6 ANALYSIS

In this chapter we are to answer all the research questions of the study. We will start the analysis by investigating value creation. Later on, we will bring in the identified key components of value creation. After this is done we will take the Frame of Reference into the discussion to support our views and make a connection between practice and the theories.

As the very title of this thesis states the main purpose of this paper is to discover some knowledge on how value can be created between the consultant and the client. Through the empirical material we have found that value creation, according to the interviews, can have many faces. This chapter therefore aims to bring these faces together, creating a picture that is understandable.

As mentioned in the problem discussion, we believed that the creation of value, in a process consultancy setting, lay in the interaction between the consultant and the client. However, the process has shown that the interaction is only one part of the value creation, and thus, we have come to the conclusion that value creation lies in the relationship between the consultant and the client, that is on a more holistic level. This has also proven to be the opinion of the clients of ABOY, something that we will discuss shortly. However, first we would like to clarify our understanding of, what we have chosen to call, the value creating components in the process consultancy setting.

Our first research question states: What are the key components when creating value in the consultant-client relationship? At first glance this seems to be a quite ordinary straightforward question, but this research has led us to understand that the reality is more complex than imagined.

6.1 Research Findings

According to the interviews conducted with the clients of ABOY, value in the process consultancy service, can be created in many different ways. This have sometimes been confusing as some have related value creation to a personal characteristic of the consultant while other have defined it as a method or a way of working that the consultant has initiated.

However, in analysing the matrix, we have come to the understanding that the answers given by the interviewees can be categorised on two levels, which we have chosen to name the ‘individual value triggers’ and the ‘arenas of value creation’. This was done to create a deeper understanding of the empirical material and how it might be interlinked. The sense-making in this structuring, and in the model (Figure 4) shown below, is that the individual value triggers

express the characteristics needed from the consultant to achieve a successful result on the arenas of value creation. As we believe, these arenas can then, with the support of the individual value triggers, create value. Furthermore, we divide the levels into different areas as we also here find similarities and differences in the opinions of the clients. Next, we are going to discuss these areas in depth and show what the actual individual value triggers and arenas of value creation are and how we have reasoned in creating the categories, also given in Appendix 2.

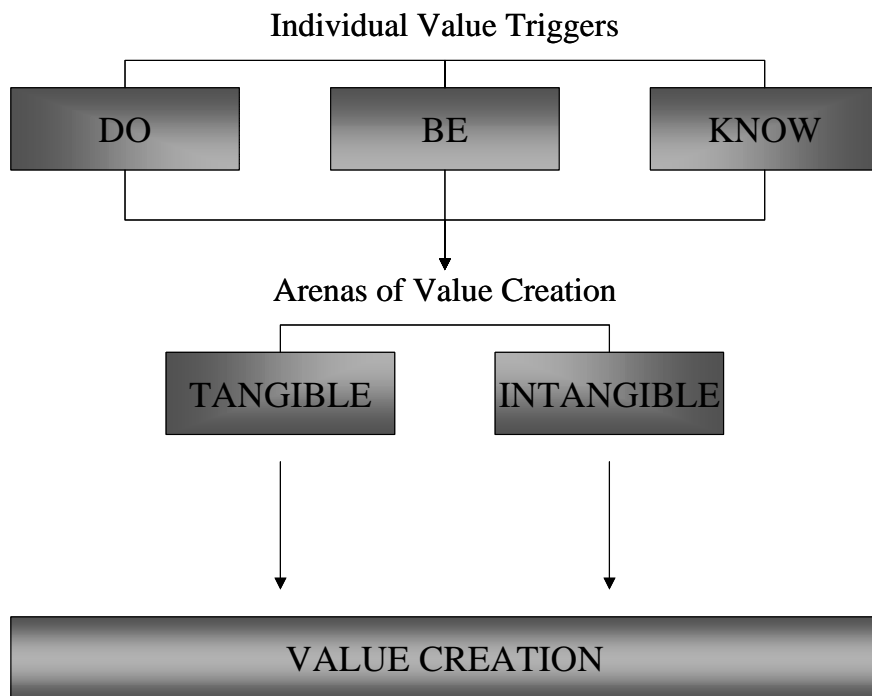


FIGURE 4. *BUILDING BLOCKS OF VALUE CREATION*

Starting with the individual value triggers, we have divided these into three different areas: ‘Do’, ‘Be’ and ‘Know’. The reason behind this is that the empirical data has shown evidence that: firstly, there are some specific things that a consultant should do; secondly, the consultant has to have certain personal traits and a special way of being and; thirdly, that she has the relevant knowledge.

The first value trigger refers to what a consultant should ‘Do’. In this part the identified issues are related to the consultant’s actions such as: listening to the client, building trust, and understanding the people. The consultant has to be capable of doing these things in order to create possibilities for value creation. This value trigger directly reflects, what we call, the soft sides of the consultant and in looking at the content one could easily argue that it refers to what most people want to have in any relationship.

The second value trigger, ‘Be’, refers to the personal characteristics of a consultant. The consultant is supposed to be honest, open, humanistic, pedagogical, inspiring, as well enthusiastic and passionate according to the persons interviewed. Even though all of these were mentioned in the image of consultant part of the matrix, we believe that these are important ingredients when working closely to the client as a process consultant usually does.

The last of the individual value trigger boxes integrates the consultant’s knowledge and prior experiences – the professionalism. This category has been created by the consultants’ academic and practical knowledge as well as having relevant experience in the field of business which seems to be important to the client. It is also the only value trigger that solely contains, what we have called, hard issues.

The three categories above describe what is expected of the consultant as a person, which we believe to be crucial as the clients first and foremost see the consultant rather than the consultancy company. One paradox found is that while ABOY’s consultants recognise this fact, they have not emphasised the softer side of the value triggers in their interviews.

As seen in the matrix, it seems to be important for the consultant to have these characteristics as they have been mentioned in so many interviews. They are, however, all things that most people would take for granted in a business relationship so why do we then see this pattern in the empirical data? Why do the interviewees mention things that often, according to us, are taken for granted?

We believe that this might be due to the specific nature of the process consultancy business, where clients often are expected to work closely with the “supplying” company. The more specific reason for this will be explored in discussing the second research question but we can, already here, state that we believe that the importance of the value triggers are closely related to the arenas of value creation, the second level of the model.

As mentioned above, we have chosen to call the second level ‘arenas of value creation’ as we have come to understand that the clients also believe that the working methods and the role of a consultant are important. We have divided this level into two categories, as we have come to realise that the clients’ answers tended to either focus on a tangible factors or on more intangible ones.

Let us analyse the tangible arena first. For this arena we have categorised the issues that were more concrete and somehow easier to grasp. In this category we see that value is created by: providing resources, knowledge, business

understanding, experiences, planning, structuring and business improvement. All these subjects refer to what we call in the matrix ‘the hard issues of value creation’, which we perceive to be tangible ways of creating value. Furthermore, we can see that, even though ABOY is working mainly with a process consultancy approach, there still exist clients who see them as more ‘traditional’ consultancy company. However, it is important to bear in mind that ABOY in all assignments included in this report has worked with project groups. Therefore, we believe that these opinions also are important even though the role of the consultant was somewhat different than on the intangible side, discussed below.

The intangible arena relates to the softer methods, being more dependent on how each individual interprets the value in a process or project since the answers are somewhat intangible, hard to see and understand. We have recognised the following patterns to be important on this arena: Value is created through the dialogue, shared and continuous learning; creating a common language and a new understanding. The consultant’s role in value creation is then to lubricate the process, be engaged, act as a facilitator, and challenge the existing ideas. This list of requirements matches well to the process consultant model.

Extending from the previous discussion we argue that value can be created by using both models of consultation: expert and process. Furthermore, after putting the individual value triggers and the arenas of value creation together we feel that we have managed to portray the process of value creation. Subsequently, we have split value creation in parts as we thought that this was needed in order to understand the complexity of the topic and the different dimensions of it.

In analysing the matrix we have also realised that the relationship between the consultant and the client is important. The matrix shows that the clients want to have a professional and pure customer-supplier relationship that is filled with the personal attachment and the social dimension. We believe this to be essential for the consultants to understand since the clients are the ones who make the business run. But how can a company initiate such a relationship with a client? We think the identity plays a big role since that is the first thing the client sees of the company.

We think that in ABOY’s case it is the business concept that reveals the identity. We have seen in some cases that ABOY has been assigned to the task because there has been a match between the values of client’s organisation and ABOY. This has been explicit, for example, in case 1 where the employees felt that ABOY had similar values as the organisation. Obviously, it is easier to

build up a relationship when all participants have comparable values than in a situation where participants cannot agree on the same things and have totally different perceptions of the world.

In order to create a good relationship a company as well as the consultant needs an identity, which is easy to identify and understand. However, it is not only this that makes the identity so important. According to Ackerman (2000), the identity is also the base for value creation, something that will be further explored when answering the second research question.

All the aforementioned discussions have led us to believe that there are three key components when creating value in the consultant-client relationship. We have named these components: the identity, the individual value triggers and the arenas of value creation.

In creating these, we believe that we have been able to define ‘what’ the key components are when creating value in the consultant-client relationship. However, we also consider it to be important to understand ‘why’ these components carry such weight and how they fit into the process consultancy business in general.

6.2 Why Are the Identified Components Important in the Consultant-Client Relationship?

In answering this question we start from the holistic point of view and describe how we perceive the process consultancy business as a whole. Later, we narrow the area so that we finally reach the individual level, in which we are to see how a consultant can contribute to value creation. The reason for discussing the business as a whole before going into the areas that more actively answer our research questions, is that we believe that a holistic view can give a better understanding of our argumentation on the individual level.

Being so we want to show a road map of how the ‘why’ part of the analysis will be handled. The model (see Figure 5) below illustrates the path of the analysis and briefly states the aim of each step.

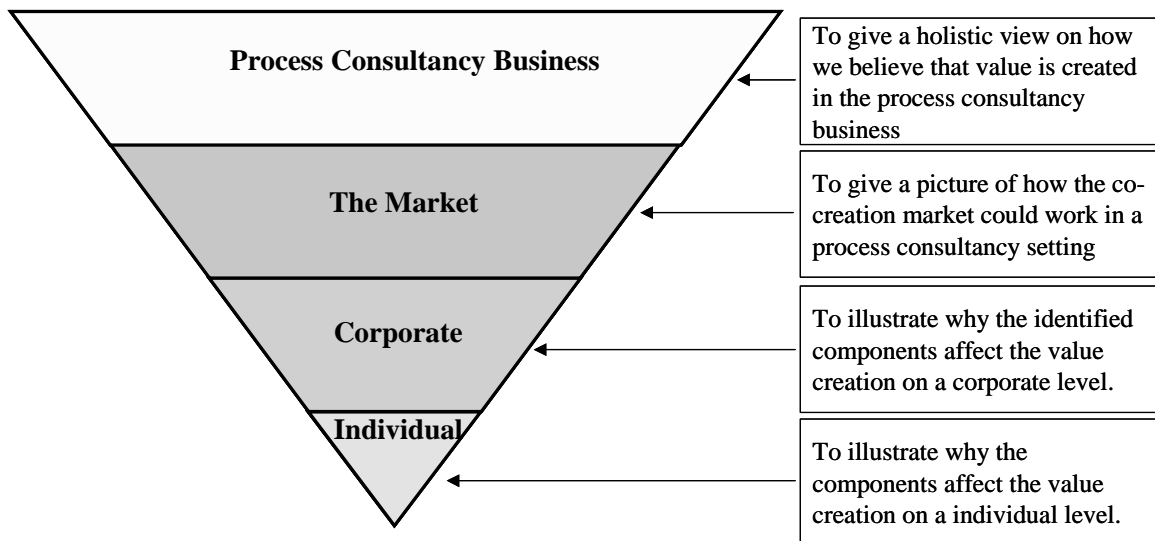


FIGURE 5. A ROAD MAP OF THE ANALYSIS

In the discussion above, we argue that value is created through the utilisation of the components, which are present in the relationship between the consultant and the client. Furthermore, we have, in our empirical data, identified what ABOY and its clients believe to be the most important components in the relationship. It seems to us that all of these components are connected in an ‘advanced system’, and that this system has to be understood from a holistic point of view, before we are able to understand how value is created in the consultant-client relationship.

How is it then possible to understand the value creation in the process consultancy setting? Why are these components important and how can they be affected by the actions of the consultant? Here we aim to explain and understand our empirical findings by utilising the theories and discussions that we have previously presented. Our intention is to form a debate that starts with the identification of the process consultancy business, which then later will be analysed and broken apart to reveal the more delicate parts.

6.2.1 Forming an Understanding of Value Creation in the Process Consultancy Business

The starting point, according to us, must then be the process consultancy business as a whole. What framework of value creation can we argue that this business belongs to? In looking at our empirical findings we firmly believe that the business can be explained through the value constellation concept, created by Normann and Ramirez (1994; 1998). This framework, in short, states that a company needs to co-produce value with its clients or, a bit more specific, that a company should create incentives for their clients to create their own value. As aforementioned, this is also the perception of ABOY’s clients as almost all

interviewed believed that having a process where the consultant initiates a shared learning and dialogue created the value.

Furthermore, as Prahalad and Ramaswamy (2004) state, the seed of value creation is planted through the fact that the customer is no longer a passive observer. The individual needs to participate and be involved in the experience for it to be rewarding. This statement finds support in our empirical data, as the majority of the clients believe that value is ‘produced’ during a process, where people create something together.

A good example of how these two arguments are interlinked can be found in case 5, where one person mentions that the value is created in the process where the consultant has to hold the client’s hand and guide them to a new understanding. However, this discussion very much belongs to the individual and will therefore be elaborated further under that section.

At a very holistic level there seems to be an obvious linkage between the process consultancy business and the ideas of Normann and Ramirez, which we believe is supported both by our empirical findings but also in the writings of Stjernberg & Werr (2001), where they state that the essence of process consultancy is to create a shared understanding as a basis for development.

However, we would also like to point out one difference between our empirical findings and this theoretical framework. As aforementioned, our research has led us to believe that it is the actual consultant-client that creates value while the perception of Normann and Ramirez (1998) is, much like ours in the initial stages, that the key component is the interaction. We would therefore like to present a counter argument by saying that the interaction only can be a part of the relationship. Obviously, we understand that the theory of Normann and Ramirez (1994, 1998) is supposed to describe not only the consultancy business, but also numerous other businesses. However, we believe that it is important to clarify the difference that we have observed in the process consultancy branch where we believe that it is rather the customer relationship that is the key for value creation than the interaction, something that will be discussed below.

6.2.2 The market

In understanding the structure of the process consultancy business, we here need to sidetrack from the thoughts of Normann and Ramirez (1998) to give room for the discussion on how we believe that the process consultancy market works. While there is a general understanding in the minds of many authors that products flow through a traditional market system, where a ready-made

product is offered to the customer. We believe that the market for the consultants have a more complex structure, something that we need to understand if the goal is to get a complete view of the various parts of the value creation.

In looking at the market of the consultancy business in general, the first thing that strikes you is the difference in how the ‘product’ is offered. In this setting the customer does not go out to find the product, which often is the case in many other businesses; it is rather the customer who creates the need for the ‘product’²¹. The consultancy companies believe that they can deliver this ‘product’ and then meet this need. This phenomena can be exemplified by the ‘concept of market theory’, created by Prahalad and Ramaswamy (2004), as they clearly state that they believe in a market where customer and supplier meet to create unique value.

They argue that the future market will be one of co-creation, a market that resembles a forum. In this market the client and the consultant will need to have a clear understanding of each other to create successful co-creation experiences of unique value, something that we believe is crucial for this business. Again, this is very important, as the process consultants need to have a good relationship with the client if the value creation is to occur.

The empirical findings, in numerous cases, agree with the notion of this new emerging market concept. Case 1, for example, states that they do not want to buy a concept but rather wish to hire a consultant who is ready to develop something together with the buyer. Another example can be found from case 5, which argues that the consultant should act as a support to the organisation and not take the role as the decision maker. What we try to illustrate by mentioning these cases is that the client does not want the consultant to decide their needs. Rather they wish to have a relationship where the consultant acts as a support and creates something together with them, the client.

As aforementioned, we believe that the ‘concept of market’, created by Prahalad and Ramirez, gives an understanding of the market in which the process consultants are active. We also find support for this in the writings of Schein (1988) and Grieves (2000), where the authors describe the relationship from a doctor-patient perspective. Even though Grieves chooses to emphasise the actual meeting from this perspective, where the consultants employ diagnostics and then find the cure, we believe that there is a strong connection

²¹ There are of course consultancy companies that sell concepts by aggressive marketing through telephone marketing and other channels. However, as many interviewees have stated that they are not interested in a ready-made concept we believe that a majority of the market functions as described above.

between how a patient and a company search for a cure to the perceived disease.

In taking this standpoint, the importance of the relationship between the consultant and the client becomes even more evident. The incentives of a co-creative relationship require a deep understanding between the two actors, which is why we now, with the understanding of the general structure of the process consultancy business, leave the more descriptive and holistic environment and focus on the company and the individual.

6.2.3 The Corporate Level

We have earlier stated, with the theoretical support of Normann and Ramirez (1998) that value creation in the consultant-client relationship springs from their ability to co-produce. If one keeps this in mind, it is also easy to argue that the relationship between these two actors has to support the process, something that we also find when we analyse our empirical material.

This can be exemplified with case 4. As this case shows, ABOY was hired because the client felt that ABOY was what they said they were and the consultants believed in what they were doing. This was also noticed from ABOY's side as one of the interviewees stated that basically the only reason why we got the project was because we were able to show that we had a strong identity.

Another example can be found in case 1 and 5, where the philosophy and the image of the company were important factors in finding a consultancy company to work with. Now, we understand that the image and philosophy are not exactly the same things as the identity. However, we believe that these statements indicate a need, from the client's side, to feel something for the process consultancy company with which they want to co-operate. Having said this, we therefore would like to discuss how we understand that the identity of a company can affect the value creation.

Ackerman (2000:2) discusses the importance of a clear identity. He states that the identity is "the unique characteristics of an organisation [...] which are the integrated results of particular mental, physical, and emotional capacities". He also argues that it is the 'wellspring' of value creation, as he believes that the identity contains the necessary answers to value creation. The dynamics of value creation are therefore closely linked to the identity of the company.

In looking at ABOY, we believe that the business concept can give a reflection of the company's identity even though Ackerman (2000) states that the identity

cannot be found in the slogans, vision, or mission statements of a company. The reason for this argument is that the business concept was created by all the employees at ABOY and therefore, as we believe, represents the collective thinking of the organisation. Furthermore, the interviews at ABOY revealed that the business concept is a common tool in working with the clients. Hence, the business concept not only represents the environment that ABOY wishes to create within the organisation, but also colours the way that they wish to work with their clients.

In analysing the business concept, our understanding is that ABOY has found an identity that they believe is meaningful in today's society, something that they therefore also want the clients to experience. However, we also understand that not all companies wish to have this thinking implemented into their organisation, which is why we now again turn to Normann and Ramirez (1998).

To understand how the relationship functions we now return to the value constellation concept, which we have referred to earlier. Normann and Ramirez (1998) argue that all business relationships are affected by a code of an offering, that is, what the company can offer to customer. What is then the code of an offering?

We believe that in the very beginning of a relationship the code of the offering entails the identity of the company, whereas later in the actual working process the consultant represents it. The code subsequently, as we interpret it, is the black box that the consultant possesses where the consultant's inner capacities are stored, something that will be discussed later in the analysis.

If the code of an offering matches the code of the client, then a good relationship can be built and value can be co-produced. This is what Normann and Ramirez (1998) refer to as the leverage, which is when the client is able to do something better. On a corporation level we believe that the code of the offering is represented by the identity of the consultancy company, as this is what the client sees in the initial contact. The leverage is subsequently the improvements that the client expects from the relationship.

However, as the code of an offering varies from company to company, we believe that there is a need for the consultancy company to be flexible enough with their offering. Also, Normann and Ramirez (1998) argue in their discussion on value creation logic when they propose that each case should be treated differently, and separately.

We believe that the ABOY's business concept in many ways can exemplify the code of an offering on a corporate level. This is what the clients see in the initial contact and is most often the standard that they judge the company by. The closer the client is to ABOY's business concept, the bigger the chance is that leverage can be achieved. Obviously, not all clients truly understand the business concept in the beginning, but it might then be that they change their code during the process of working together with ABOY. It is also important to point out that we believe that having a strong identity and a quite specified code of an offering does not always bring you huge numbers of customers. Something that also is mentioned in one of the interviews with the consultants, as this person stated, is that some clients indeed are curious about their methods but that ABOY probably also loses some who do not at all believe in their way of working.

When considering the relationship between the consultant and the client on the corporate level, we believe that the code of an offering might be the initial step towards a co-creation of value. The paradox is that, while a company needs a specified code of an offering, it cannot be too narrow if they wish to reach a wide range of clients. We also understand that there is numerous ways of establishing the first contact, ranging from strictly regulated purchases of a municipality to the personal network of the consultant. The corporate code of offering can, therefore, for example, serve as a guideline when dealing with a municipality, as we have seen in the examples taken from case 1 and 5, but it might not be sufficient when dealing with other actors, as there also seems to be importance in knowing the person when hiring a consultant. Therefore, we now narrow the discussion further by considering how the code of the individual consultant can create value.

6.2.4 Individual

Prahalad and Ramaswamy (2004) claim that value is co-created in the interaction between the client and a company. However, we have realised that the interaction occurs on a personal level and not on a company level. The calculated empirical material supports this idea as well, since the interviewees most often saw a consultant and not the company when working with ABOY. Moreover, the clients wish to have a relationship with a personal attachment. We cannot say that Prahalad and Ramaswamy (2004) have not understood this, since they state that the company has to be able to create the personalised experiences for the client in order to create value. But we still argue that the company itself is not able to do the co-creation experience, as it requires certain actors, which in this case are a consultant and an individual client. This leads us deeper into the question of why a personal relationship between a consultant and a client is important when creating value.

As identified in the empirical findings there are, in our view, two levels of value creation in the relationship between the consultant and the client. These are, as mentioned above, the client's replies to how the value is created, which we have been able to classify into what we believe to be the two levels of value creation in the process consultancy relationship. While the arenas of value creation represents the working methods of the consultants, the value triggers show the abilities that are required for the arenas to function.

Why does then the client believe that the 'arenas', or the ways of working initiated by the consultant, play an important part in creating value? To answer this question we believe that, once again, one needs to look inside the aggregated result and see if there are any theoretical frameworks that can support these statements.

In breaking the intangible arena apart, we notice that a majority of the clients believe that it is important for a consultant to be able to initiate a process, based on a common learning and a dialogue. There is also a request that the consultant should be engaged in the project with the client and that the consultant should not only lubricate the process but also challenge the existing ideas of the organisation. In short, the intangible arena of value creation seems to be focused on the notion that there should be an element of co-creation in order to achieve the aim of the assignment. This is also discussed by Prahalad and Ramaswamy (2004), who argue that the client today has become an active and engaged participant who will no longer be satisfied with the role as a passive listener.

However, the empirical findings also show a need for a tangible arena. Imbedded in this arena we find statements that more lean towards what might be seen as the role of an expert consultant. Why are then the employees sometimes perceived as expert consultants? A possible explanation for this can be found in the writings of Stjernberg and Werr (2001). They state that a successful consultant needs to be able to combine these two approaches; something that we believe that ABOY in these cases has been able to do.

In breaking the areas apart we have come to realise that it is almost impossible to state that a consultant only is expert or process orientated. We believe that it is rather the mix between these that indicate where they belong, a scale where the percentage indicates the balance between the two methods. In ABOY's case the way of working and the business concept, described in the empirical data, shows that the company probably would lean towards the process consultancy category. This is also supported by the empirical findings as a majority of the clients have emphasised the importance of ingredients belonging to this

business. Therefore, we now continue to discuss why the identified empirical data is important in creating value in the process consultancy business.

Prahalad and Ramaswamy (2004) also state that the customer is looking for personalised experiences, which the authors believe is the source of value. Furthermore, they propose that the client's role is to co-shape the experience. In our setting this closely resembles the answers in the interviews that we have conducted with the clients, as many of them believe that the consultant creates value by creating a new understanding or by acting as facilitators.

Our empirical material shows that both the tangible and intangible arena of value creation plays an important part in the world of the process consultancy business. However, in analysing the material we have also come to understand that there is more to creating value than the actual methods that the consultant uses. This area is what we have chosen to call the individual value triggers of value creation, which are the characteristics that the clients believe to be essential if the relationship with the consultant is going to function well.

In the first research question we have come to the conclusion that there are three individual value triggers that the clients wish to see in a consultant, namely: Be, Do and Know. We believe that these triggers have a direct influence on the arenas of value creation and also on the customer relationship as a whole. Baron and Markman (2000) confirm the latter statement as they argue that the social skills are an important factor in building a good customer relationship. This is also recognised by Kuttner, *et al.* (1989) who argue that communication and people skills are vital for a process consultant. However, even though we see similarities between the theories and the answers given by the interviewees, we believe that it is hard to draw any direct conclusions on why these are important.

How do the triggers then affect the arenas? When considering the empirical findings, we see a strong link between the individual code of an offering and the individual value triggers: Be, Do, Know. Similarly, to the code of an offering the individual value triggers seem to be important components in a successful relationship. If we follow this line of reasoning, the individual value triggers would be a reflection of the aggregated 'codes' of the clients, which in some way needs to be satisfied for the relationship to reach any leverage. In this setting it is then crucial that the consultant either matches the organisational code of the client, manages to understand the code of the organisation and is able to relate it, or that the consultant can affect the organisation with her own code for a leverage to be achieved.

In short, we believe that the triggers are the ‘triggers’ that make the work in the arenas function well. The consultant has to be inspiring, to gain trust and have an expertise, amongst other things, to make the work in the arenas meaningful and interesting. Using a somewhat circular argument, we also believe that the triggers actually can create a deeper co-creation, which eventually leads to new assignments and a continuous co-creation.

We have now reached the very last, and the most personal, level of the consultant-client relationship. In doing so we hope that we have been able to explain ‘why’ the identified components have such a big effect on value creation in the process consultancy setting. In the following part of the analysis we discuss how consultants can affect the creation of value with their actions.

6.3 How Can the Components Be Affected by the Actions of the Consultant?

We have, in the analysis above, identified three components, which we believe to be crucial when creating value in a process consultant setting. Subsequently, these components (the individual value triggers, the arenas of value creation and the identity) will be the base for our discussion in our final research question: How can these components be affected by the actions of the consultant?

Beginning with the identity, we believe that this component indeed is crucial when confronting clients. However, as the identity, according to Ackerman (2000), is hidden deep in the organisation we also understand the complexity in finding and defining this abstract phenomenon. How is it then possible to understand and develop the identity of a company? Is it feasible for the employees of the company to understand this by themselves, or are influences from the outside required to help them think creatively?

We believe that ABOY through their development of the business concept have, in some way, succeeded in understanding its identity. They have asked themselves the questions: “*who are we, what do we stand for, how are we different, and where do we fit in*”, which according to Ackerman (2000) are the most important questions in understanding one’s identity. Furthermore, they have achieved this understanding through workshops where all of the employees of the company have participated, something that we believe is important in discovering the true identity.

However, as Ackerman (2000) argue, every individual in the company is responsible for developing the identity, so we believe that this is an ever-ongoing work. New employees are hired and old employees develop their own

understanding of the world, making the identity perishable which needs to be replaced or at least modified from time to time.

Built upon this argument, we therefore believe that ABOY, and other process consultancy companies, constantly need to be open to change in the organisation where new understandings are developed and a transformed identity can evolve. Moreover, we believe that it might be important for the organisation to bring in new influences to get a ‘third eye’ of the organisation and its identity. This can be done through feedback sessions with client, an activity severely missing in our empirical findings, but also by students seeking suitable research objects.

We now continue by analysing how the individual consultant can affect the components that we believe to be value creating. As seen throughout our analysis, we believe that both levels of our ‘building blocks of value creation’ model are required in order to create value in the process consultancy setting. These thoughts have been presented earlier and they have been supported with theories and empirical findings. In the following text we discuss what kinds of ‘solutions’ that could somehow increase the value in the relationship between the consultant and the client on an individual level.

We here refer to Prahalad and Ramaswamy (2004) who state that, in order to co-create, a company needs to involve people in interaction. However, we believe that it is the person’s responsibility to create value in this relationship. This is also something that we have noticed when analysing the empirical data as it clearly shows that the clients are looking for a process with a continuous learning, dialogue and new understanding, things that are important for an individual to experience.

Therefore we now apply Prahalad’s and Ramaswamy’s (2004) DART model to explain how a consultant can enhance the work in the arenas of value creation. The DART model by Prahalad and Ramaswamy contains four areas where they believe that the consultant has to be active. These are: dialogue, access, risk assessment and transparency. However, as this section focuses on how to improve the arena of value creation and as the thesis does not include economic factors we have chosen not to include the risk assessment. In doing so we understand that an important part of the co-creation has been left out. However, instead of trying to force the theory into the analysis we rather leave it open for people to discuss.

Our empirical data has shown that sharing knowledge, listening and creating an understanding are important factors when creating value in a consultant-client relationship. This is also something that Prahalad and Ramaswamy (2004)

believe to be essential in forming a creative dialogue, the first important factor in co-creation. How is it then possible to create this creative dialogue? To understand this we turn to yet another theory, the experience realms created by Pine and Gilmore (1999), which we believe can explain the necessities in fully reaching a client.

Pine and Gilmore (1999) argue that one has to be engaged in an experience not just as a passive observer, but also as an active learner, to be able to create value. There is a need to reach all different dimensions of an experience, which are: sense, learn, do and be. They propose that creating a memorable experience is valuable as the individual then always can go back to this mnemonic place and access the experience. This is also why a consultant should be able to create ‘a-ha’ experiences for clients, something that seems to be acknowledged at ABOY, as some of the consultants mentioned this during the interviews.

How can a consultant create this experience for the client? We believe that the experience should be created in the process. However, we also believe that it is important to understand that no one can have the same experience. In the following paragraphs, we use the world café method to exemplify how we interpret the experience realms.

We start from the first slice of the realms, the dimension of entertainment. This is where we believe that the creation of an experience begins, and it is in this dimension that the consultant explains how the world café method works and what the company can achieve with it. At this point the people are divided into groups of two to four people and they act as observers and do not participate actively in the process. They just ‘enjoy’ and listen to the introduction and hopefully are amused and interested by it. This is supposed to work as a trigger for the next phase as the people get involved and hopefully start to ask: what is going on?

In the educational realm of the experience, each of the individuals becomes an active participant in the experience, since they start to share their views and opinions with the other members of the groups. Here the consultant’s role is to give some guidance and advice if needed, to facilitate the process by asking interesting questions that challenge the groups and to initiate discussions. This is where the actual learning process begins as the members of the groups start to understand how other individuals think, and there is a shared sense making.

At the next phase, the escapist dimension, group members changing from one group to another provide the individuals with the possibility to get deeper into the experience as new insights spring from the various discussions. In this part,

the individuals are supposed to get immersed into the holistic understanding, creating a memorable event, which might not be possible in the ordinary work life.

The last section of the experience realms, the esthetic dimension, we believe occurs after the new ideas and insights are effectively used in the organisation. That is, when the individual can only be and benefit from what the organisation has achieved. By this we mean to take pleasure in the environment without having an effect on it, to be passive and totally immersed in the experience where there is time for reflection. This is then an excellent opportunity for the consultant to ask for a final feedback where it is then possible to learn how to improve the process.

The example above illustrates one way of creating a dialogue, which according to Prahalad and Ramaswamy (2004) is an essential part in co-creating value. It is important to understand that the world café method is not the only way of doing this and that the experience model might not work with all organisations. However, we believe that it can serve as an important tool in understanding why the dialogue is so important in the co-creation of value and how it can be done. Having said this, we now move on to the next area in the DART model, which Prahalad and Ramaswamy (2004) have chosen to call access.

By giving and developing more ways to meet the clients, Prahalad and Ramaswamy (2004) believe there is the possibility to create experiences at numerous points. In a process consultancy setting, we believe that this means that the client is able to access the whole value chain and not only the finished result, which in this setting would be the consultant. Prahalad and Ramaswamy (2004) suggest that by giving access to the productive knowledge and understanding the client's value creation logic, a smart 'supplier' can co-produce and create a valuable relationship with the client. To exemplify how this could be done we have in our research identified one way that could work in our case company, ABOY.

We believe that introductory workshops could provide a platform for meeting the company and its consultants prior to the actual project. This would also give the clients a chance to catch up with the understanding of ABOY, as they would be taught the methods and sense making that guides the consultants. We believe this meeting would simplify the future work on the arenas of value creation. The notion of having learning labs is also supported by the empirical data as there seems to be a wish amongst the clients to develop their understanding in order to be able to work in a more efficient way.

The final part of co-creation that we will discuss in this paper is the transparency that Prahalad and Ramaswamy (2004) believe has to exist in the customer relationship. Although the theory primarily focuses on transparency in connection with prices and quality of products we believe that it can also be applied in a process consultancy setting. We argue this, since we believe that transparency also can be related to the agenda that is set up between the two actors.

The empirical findings have shown that it is important for the clients to have an open, honest and humanistic relationship when working with a consultant. Based on this we think that there should not be any hidden agendas in the relationship, and there should exist a transparency where both actors can see what the other one is doing. We believe that this can be achieved through an open interaction, starting already in the beginning when the project is defined. Furthermore, we believe that the consultants have to be clear if they try to develop the business so that the client does not feel that they are constantly subjected to a variety of sales arguments.

The transparency can of course have many faces and we do acknowledge that the relationship between the consultant and the client cannot be crystal clear. However, in the arena we believe that it is important that the ‘companies’, and the individuals representing them, have a somewhat clear picture, which then could help to avoid unpleasant surprises and arguments. From the empirical material we can find an example where a consultant exceeded the given authorities in case company 2, something that was not appreciated by the client.

To sum up, we believe that the DART model can serve as a good tool when analysing how more value can be created in the arenas of value creation. This as it is not a ‘hands on’ tool, but rather a summary of what Prahalad and Ramaswamy believe to be the cornerstones for co-creation. This means that the consultant and the client then have to find their own interpretations that function in the unique situation that they are in. Having stated this, we now move on to an even more abstract area, the characteristics of the consultant.

As we have previously seen, the individual value triggers play a key role in value creation. This is supported by Baron and Markman (2000) who propose that by having good social skills and a big social capital, one can create tangible benefits, as it is then possible to create cooperation and trust. The consultants have to acknowledge these issues and try to improve their social abilities, as the clients want to work with the people they like and have a good ‘personal relation’ with. This connection then provides arenas of value creation since the client has the possibility to share the knowledge and learning as well as to create a common language.

The theory, created by Baron and Markman (2000), argues that a consultant has to master four areas of social skills to have a good influence on clients. These areas, social perception, persuasion and influence, social adaptability and impression management, which are all ingredients that we also believe to be important in the consultant-client relationship, and are furthermore things that we can see in the individual value triggers.

Is it then possible for a consultant to develop within these areas? Well, there are of course numerous methods available for personal development. We believe that if the consultant is, for example, open to feedback from the clients then there is also a possibility for personal development. However, the methods are many and as we believe that personal development easily steers into the area of psychology, we have chosen not to dig any deeper. Hence, we conclude that social skills are important in a consultant-client relationship and that we believe that these skills can be developed if the consultant is open to feedback from the clients. However, as we are not equipped with the necessary tools for understanding these complexities, we believe that interdisciplinary research should be conducted to gain a deeper knowledge.

7 CONCLUSION

In this chapter we conclude with what we have found to be the key components of value creation in the process consultancy business. We start with identifying these components and move further in explaining the linkages between them. Last, we will reveal our own understanding of the topic and give some ideas for further research. By doing this we hope that we are able to bring our contribution to the mysterious area of value creation.

The aim of this study has been two-fold: firstly, the thesis was to increase the authors' knowledge of the consultancy business and secondly, to create an understanding of value creation in the process consultancy business. What we have realised is that neither the consultancy business nor value creation are easy subjects to grasp since both have a tight linkage with one of the most complex organisms in the world, the human being.

With this argument we mean, as previously stated, that each individual perceives value differently: what one person thinks is value creating may not at all be important for the next one. This can also be seen in the interviews where the stated opinions might seem obvious and simple facts. What makes a difference in our case is the recognition that these simple responses are actually the things that create value for the client, which we believe is not that obvious as it might seem. The complexity of individuals makes it hard to identify where value is created in the process consultancy business.

However, when analysing our data we have come to the conclusion that value creation springs from three different components: the individual value triggers, the arenas of value creation and the identity. Whereas we believe that the first two ones are connected to the individual consultant, the third one is more related to the consultancy company and its organisational roots. This has also led us to believe that the value is created in the customer relationship and not in the interaction that is stated in the concepts used in this paper.

In defining the individual value triggers and the arenas of value creation, we argue that neither one can produce value separately, something that we base on both our empirical data and our theoretical framework. The clients want to co-create something with the consultant; this is why it is important to have a clear and strong understanding between the actors. There is a need for common playing field and a shared language.

The identity on the other hand reflects the image of the consultancy company perceived by the client. We argue that this component is important since we believe that this is the first the client sees or feels when entering the

consultancy bureau. If the identity is not somehow shared or understood by the client, we propose that it will be hard to establish a firm contact with the client.

The three components of value creation indicate that value in the process consultancy business is produced in the consultant-client relationship. In the model below (Figure 6) we have depicted how we perceive that these components influence value creation and also how they are interlinked to each other. Furthermore, the model describes our reasoning and understanding derived from the analysis; thus, it encompasses the critical incidents of value creation.

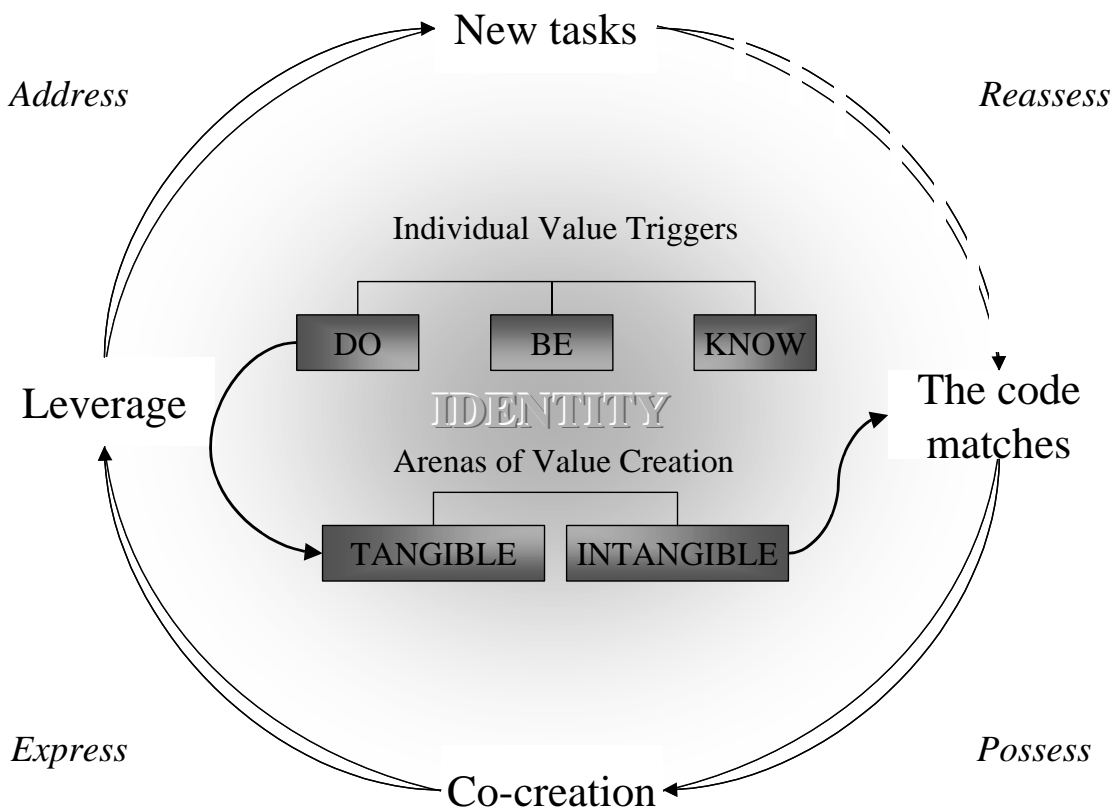


FIGURE 6. *COMBINING THE COMPONENTS OF VALUE CREATION*

In looking at the centre of the model, we find the three key components of value creation. As mentioned in the analysis, we believe that the individual value triggers and the arenas of value creation are co-dependent, that is, one cannot function well without the other. Furthermore, as we argue that the identity contains the unique characteristics of the consultancy company, we believe that it to some degree colours both the individual value triggers and the arenas of value creation, as seen in the model above.

Having identified the inner section of the model, we now concentrate on the outer layer. Here, we want to clarify the model by stating that the outer layer, which in the model circulates around the arenas, is a visualisation of the process that occurs inside the arenas of value creation. It is also important to notice that this part only can be reached if the code of an offering, to a large degree, matches on a corporate and an individual level.

If there is a match in the code of an offering, we believe that the consultant and the client slowly start to move along the road towards co-creation. This journey is strengthened by the fact that the actors '*possess*' the tools for the co-creation, as the client at this stage comes to understand and appreciate: the identity, the arenas of value creation and the individual value triggers of the consultant.

In having found each other and started to co-create, the actors then move toward the leverage that we earlier have argued can be gained through co-shaping an experience. Here the actors have to be able to '*express*' what they seek to achieve if they are to reach the leverage, something that in a process consultancy setting should be easier if they have a co-productive mindset. We have in our analysis described '*why*' this is important and '*how*' it can be done, and will therefore not pursue it further here.

When the leverage is reached, we believe that the consultant and the client need to '*address*' the project that they have been working in. This can be done, for example, by establishing learning labs in order to reflect upon the project and by receiving constructive feedback from the client. In having such sessions, we believe that the companies are on a good way to creating new co-creating experiences, which in the model we have named as the '*new tasks*'.

However, before the work with a new task begins, we believe that it is important to '*reassess*' the situation. By using the information gained in the '*address*' phase the consultant can identify changes in the required code of an offering and create an even better match than at the first round.

In creating the model above, we believe that we show our understanding of how the components of value creation are interlinked. However, as we mention in various parts of this research, we have also come to understand the complexity of value creation in the process consultancy business. Further research could therefore focus on finding additional components of value creation, which then bit by bit could help to create a deeper understanding of the topic.

8 EPILOGUE

We have previously in this paper identified and presented our findings of value creation within the investigated context. However, we acknowledge that there exist other value theories and ways to create value, and thus we do not want to state that our proposal is the one and only. In this epilogue we would like to present an “after-statement” of what we have realised during our research, which is linked with a more in-depth discussion of our learning.

As stated in the conclusion we believe that value in large part is created in the relationship between the consultant and the client. A relationship between these two has to exist if a process consultant wants to create value, something that is also argued in the analysis with the support of the theoretical and empirical framework.

We usually see the relationship on a surface level, this to be the somehow ‘explicit’ factor that from time to time leads us to say: “The customer relationship with this customer is great, they are always happy with what we do for them and we feel really close to each other.” Still, most often we cannot define what makes us express these thoughts.

We have come to a realisation that it is rather hard to truly define ‘why’ the relationship is so good (or bad) as it mostly builds on feelings that we as humans cannot fully understand. Therefore, according to us, this visible relationship is very much like the flower of a water lily, wherein numerous components, that keep the flower alive and make it blossom, are hidden under the surface of the lake. Here, we use the water lily model (see Figure 7 below) to portray our understanding and reasoning.

In continuing with the water lily metaphor, we believe that the fact the stem that is hidden under the surface could be a good way of describing the components of a relationship. However, we first want to draw attention to the most important ingredients of a relationship, the individuals. As we believe the persons are crucial components for a relationship to function, much in the same way as a leaf of a water lily helps the flower to stay afloat. Obviously, individuals are the ones that the relationships are built upon. They also provide the platform where the hidden components become visible through the relationship, or do they?

We think that the stem of the water lily consists of the components that support and give nutrition to the flower, which can be exemplified with interaction, involvement, and learning: the building blocks of the relationship. However, we at the same time see the stem as a tube that channels the smaller

components such as listening and dialogue that also are crucial for the relationship. They are the fibres of the stem in the relationship that we perceive to be the characteristics of the individuals that are present in the relationship.

So how about the knowledge, social abilities, professionalism of the consultant, how do these affect the relationship? We believe that these factors, if the client appreciates them, act as a sort of a lubricant in the relationship, making the nutrition flow more easily through the stem to the flower. They are the hygienic factors that are needed in a professional relationship.

When reaching the very bottom of the flower we find the roots, which we in this case believe to be the identity of the persons engaged in the relationship. Now, we acknowledge that the identity is a very broad concept, built up on different parts such as values and culture but we still believe that it plays a crucial part in the relationship since it colours the company's as well as individual's actions.

As we can see from the discussion above, grasping the area of value creation is not as easy as we thought when we started this research. With this discussion we have tried to illustrate of how we perceive value creation in the process consultancy business.

Finally, we could say that even though you would lower the surface of the lake you still cannot see more than the flower and the leaf. We have realised that everything happens under the surface; this means that no one really can see what is happening in the plant and subsequently in the relationship. This we believe to be a fact, at least until we learn to dive into the lake where the components for the successful customer relationship can be found.

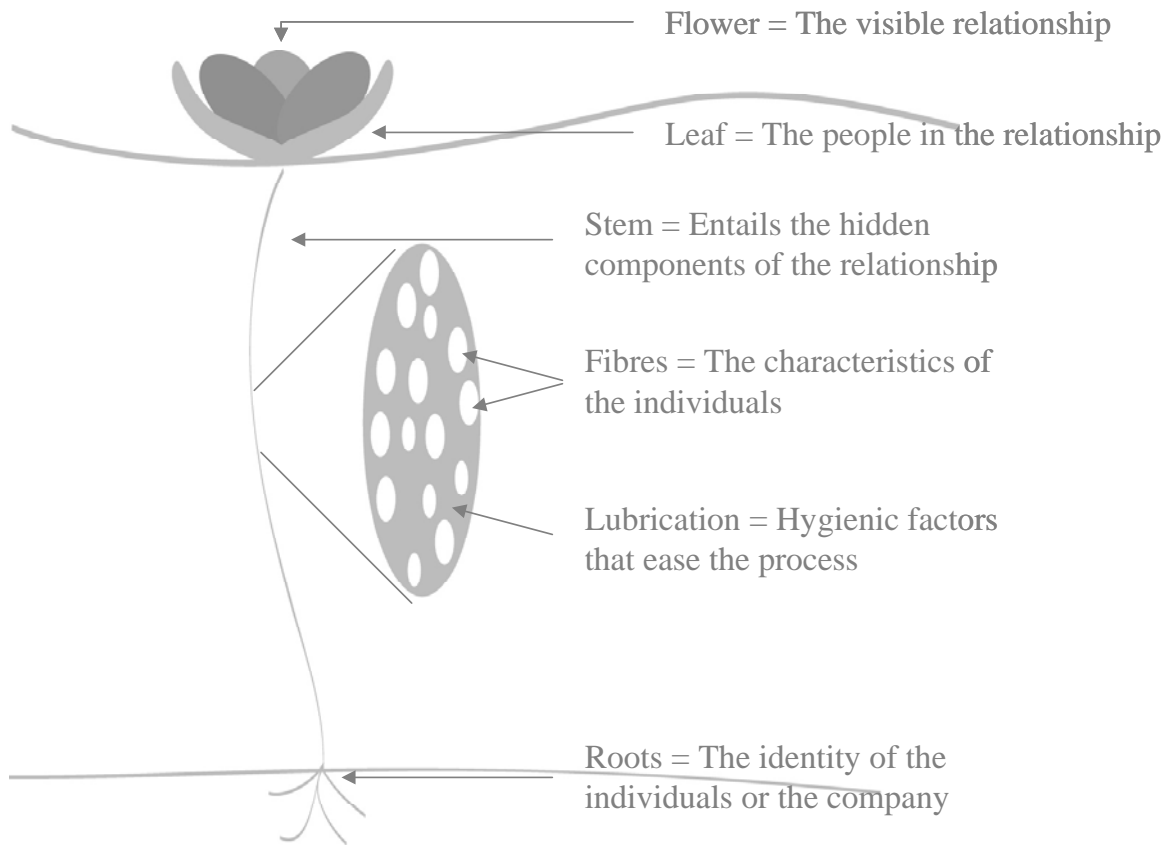


FIGURE 7. *THE WATER LILY MODEL*

LIST OF REFERENCES

Books & Articles

Ackerman D. (2000). *Identity Is a Destiny: Leadership and the Roots of Value Creation*, San Francisco, California: Berrett-Koehler Publishing.

Anderson, J. C. (1995). Relationships in Business Markets: Exchange Episodes, Value Creation, and Their Empirical Assessment. *Journal of the Academy of Marketing Science*, 23, 346–350. In Walter *et al* (2001). Value Creation in Buyer-Seller Relationships: Theoretical Considerations and Empirical Results from a Supplier's Perspective. *Industrial Marketing Management*, 30, 365-377. Retrieved September 10, 2004, from Business Source Premier Database.

Anderson, J. C., Jain, D. C. & Chintagunta, P. K. (1993). Customer Value Assessment in Business Markets: A State-Of-Practice Study. *Journal of Business-to-Business Marketing*, 1, 3-29. In Walter *et al* (2001). Value Creation in Buyer-Seller Relationships: Theoretical Considerations and Empirical Results from a Supplier's Perspective. *Industrial Marketing Management*, 30, 365-377. Retrieved September 10, 2004, from Business Source Premier Database.

Anderson, J. C. & Narus, J. A. (1999). *Business Market Management: Understanding, Creating, and Delivering Value*. New Jersey: Prentice Hall. In Walter *et al* (2001). Value Creation in Buyer-Seller Relationships: Theoretical Considerations and Empirical Results from a Supplier's Perspective. *Industrial Marketing Management*, 30, 365-377. Retrieved September 10, 2004, from Business Source Premier Database.

Baron, R. A., & Markman, G. D. (2000). Beyond social capital: How social skills can enhance entrepreneurs' success. *Academy of Management Executive*, 14(1), 106-116. Retrieved October 22, 2004, from Business Source Premier Database.

Biong, H., Wathne K. & Parvatiyar, A. (1997). Why Do Some Companies Not Want to Engage in Partnering Relationships, in Relationships and Networks in International Business Markets, H. G. Gemünden, T. Ritter & A. Walter, (Eds.), New York: Elsevier Science, 91-107. In Walter *et al* (2001). Value Creation in Buyer-Seller Relationships: Theoretical Considerations and Empirical Results from a Supplier's Perspective. *Industrial Marketing Management*, 30, 365-377. Retrieved September 10, 2004, from Business Source Premier Database.

LIST OF REFERENCES

Blackburn, R. (2000). Identity Is a Destiny: Leadership and the Roots of Value Creation (Book Review). *Personnel Psychology*, 53(4), 999-1002. Retrieved October 22, 2004, from Business Source Premier Database.

Brown, J., Isaacs, D., Margulies, N. & Warhaftig, G. (1999). The World Café: Catalyzing Large-Scale Collective Learning. *Leverage: News and Ideas for the Organizational Learner*, September 33, 1-2. Retrieved December 10, 2004, from www.theworldcafe.com/catalyzinglearning.pdf

Clark, M., Peck, H., Payne, A. & Christopher, M. (1995). Relationship Marketing: Towards a New Paradigm. In A. Payne (ed.) *Advances in Relationship Marketing*. London: Kogan Page. In Payne & Holt (2001). Diagnosing Customer Value: Integrating the Value Process and Relationship Marketing. *British Journal of Management*, 12, 159-182. Retrieved August 30, 2004, from Business Source Premier Database.

Dessler, G. (1999). How to Earn Your Employees' Commitment. *Academy of Management Executive*, May, 58-67. In R. Kreitner, A. Kinicki & M. Buelens (Ed.) *Organisational Behaviour*. 2nd European Edition. McGraw-Hill Education. UK: Berkshire.

Esaiasson, P., Gilljam, M., Oscarsson, H., & Wängnerud, L. (2002). *Metodpraktikan: Konsten att studera samhälle, individ och marknad*. Stockholm: Elanders Gotab.

Farrell, L. A. (1997). So you want to be a *consultant*. *Records Management Quarterly*, 31(1), p21. Retrieved December 4, 2004, from Business Source Premier Database.

Flint, D. J., Woodruff R. B. & Gardial, S. F. (1997). Customer Value Change in Industrial Marketing Relationships: A Call for New Strategies and Research. *Industrial Marketing Management*, 26, 163-175. In Walter *et al* (2001). Value Creation in Buyer-Seller Relationships: Theoretical Considerations and Empirical Results from a Supplier's Perspective. *Industrial Marketing Management*, 30, 365-377. Retrieved September 10, 2004, from Business Source Premier Database.

Greiner, L. E. & Metzger, R. O. (1983). *Consulting to Management*. New Jersey: Prentice Hall. In Stjernberg, T. & Werr, A. (2001). Consulting Thoughtfully. In J. Löwstedt & B. Hellgren (Ed.), *Managing the Thought-Full Enterprise*, 259-280 Bergen: Fagbokforlaget.

LIST OF REFERENCES

Grievés, J. (2000). Skills, values or impression management? Organizational change and the social processes of leadership, change agent practice and process consultation. *Journal of Management Development*, 19(5), 407-419. Retrieved November 12, 2004, from Business Source Premier Database.

Grönroos, C. (1997). Value-Driven Relational Marketing: From Products to Resources and Competencies. *Journal of Marketing Management*, 13, 407-419. In Walter *et al* (2001). Value Creation in Buyer-Seller Relationships: Theoretical Considerations and Empirical Results from a Supplier's Perspective. *Industrial Marketing Management*, 30, 365-377. Retrieved September 10, 2004, from Business Source Premier Database.

Jüttner, U. & Wehrli, H.-P. (1994). Relationship Marketing from a Value System Perspective. *International Journal of Service Industry Management*, 5(5), 54-73. In Payne & Holt (2001). Diagnosing Customer Value: Integrating the Value Process and Relationship Marketing. *British Journal of Management*, 12, 159-182. Retrieved August 30, 2004, from Business Source Premier Database.

Kippenberger, T. (1997). The Value Chain: The Original Breakthrough, *The Antidote*, 8, 7-10. Retrieved August 28, 2004, from Business Source Premier Database.

Kreitner, R., Kinicki, A. and Buelens, M. (2002). *Organisational Behaviour*. 2nd European Edition. McGraw-Hill Education. UK: Berkshire.

Kuttner, M., Babicky, J. L., Barcus III, S. W., Eveloff, S., Hickman, J. R., Hunt, D. W., *et al* (1989). Facilitating Change for Your Client. *Journal of Accountancy*, September, 168(3), p147. Retrieved November 25, 2004, from Business Source Premier Database.

Langlois, S. (2001). *Identity Movements*. Elsevier Science Ltd. International Encyclopedia of the Social & Behavioral Sciences, 7163-7166. Retrieved December, 15, 2004, from International Encyclopedia of the Social and Behavioral Sciences (IESBS)

McGarry, D. (1998). Redefining Value through Innovation. *Electronic Publishing*, 22(9), p50. Retrieved September 23, 2004, from Business Source Premier Database.

Normann, R. & Ramirez, R. (1994). *Designing Interactive Strategy: From Value Chain to Value Constellation*. New York: John Wiley & Sons Inc.

LIST OF REFERENCES

- Normann, R. & Ramirez, R. (1998). *Designing Interactive Strategy: From Value Chain to Value Constellation*. New York: John Wiley & Sons Inc.
- Overell, S. (2002, October 22). What is a *consultant*? *Personnel Today*, p15. Retrieved December 4, 2004, from Business Source Premier Database.
- Payne, A. & Holt, S. (2001). Diagnosing Customer Value: Integrating the Value Process and Relationship Marketing. *British Journal of Management*, 12, 159-182. Retrieved August 30, 2004, from Business Source Premier Database.
- Piercy, N. F. (1998). Marketing Implication: The Implications of Marketing Paradigm Weakness for the Strategy Execution Process. *Journal of Academy of Marketing Science*, 26(3), 222-236. In Payne & Holt (2001). Diagnosing Customer Value: Integrating the Value Process and Relationship Marketing. *British Journal of Management*, 12, 159-182. Retrieved August 30, 2004, from Business Source Premier Database.
- Pine, B. J. & Gilmore, J. H. (1999). *The Experience Economy: Goods & Services Are No Longer Enough*. Boston: Harvard Business School Press.
- Porter, M. E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. London: Free Press, Collier Macmillan Publishers.
- Prahalad, C. K. & Ramaswamy, V. (2004). *The Future of Competition: Co-Creating Unique Value with Customers*. Boston: Harvard Business School Press.
- Prahalad, C. K. & Ramaswamy, V. (2004). Co-creating Value with Your Customers: How experience-quality management and the role of IT will enhance the personal effectiveness of line managers. *Optimize*, January, 27, 1-5. Retrieved 12 October, 2004 from www.optimize.com/article/showArticle.jhtml?articleId=17701034&pgno=1
- Rayden, A. & Agnew, R. (2000). Dressed up and nowhere to go? Be a consultant... *Financial Management (CIMA)*, September, p46. Retrieved December 4, 2004, from Business Source Premier Database.
- Schein, E. H. (1988). *Process Consultation Volume I: Its role in Organization Development*. 2nd rev. ed. Reading, MA: Addison-Wesley.

LIST OF REFERENCES

Stjernberg, T. & Werr, A. (2001). Consulting Thought-Fully. In J. Löwstedt & B. Hellgren (Ed.), *Managing the Thought-Full Enterprise: European Ideas on Organising*, 259-280. Bergen: Fagbokforlaget.

Trischler, W. E. (1996). Understanding and Applying Value-Added Assessment: Eliminating Business Process Waste. *American Society for Quality*. In V. Amanor-Boadu (2003). *Enhancing Competitiveness with Value-added Business Initiatives: Economics and Strategy Issues*. *Agricultural Marketing Resource Center Iowa State University*, September, 1-11. Retrieved September 10, 2004, from Business Source Premier Database.

Vandermerwe, S. (1993). *From Tin Soldiers to Russian Dolls: Creating Added Value Through Services*. Oxford: Butterworth-Heinemass. In Payne & Holt (2001). Diagnosing Customer Value: Integrating the Value Process and Relationship Marketing. *British Journal of Management*, 12, 159-182. Retrieved August 30, 2004, from Business Source Premier Database.

Walter, A., Ritter, T. & Gemünden, H. G. (2001). Value Creation in Buyer-Seller Relationships: Theoretical Considerations and Empirical Results from a Supplier's Perspective. *Industrial Marketing Management*, 30, 365-377. Retrieved September 10, 2004, from Business Source Premier Database.

Walters, D. & Lancaster, G. (2000). Implementing value strategy through the value chain. *Management Decision*, 38(3), 160-178. Retrieved October 19, 2004, from Emerald Library Database.

Weiss, A. (1998). *Million Dollar Consulting: The Professional's Guide to Growing a Practice*. New and Updated ed. New York: The McGraw-Hill Companies, Inc.

Wilson, D. T. (1995). An Integrated Model Of Buyer-Seller Relationships. *Journal of the Academy of Marketing Science*, 23, 335-345. In Walter *et al* (2001). Value Creation in Buyer-Seller Relationships: Theoretical Considerations and Empirical Results from a Supplier's Perspective. *Industrial Marketing Management*, 30, 365-377. Retrieved September 10, 2004, from Business Source Premier Database.

Wilson, D. T. & Jantrania, S. (1994). Understanding the Value of a Relationship. *Asia-Australia Marketing Journal*, 2, 55-66. In Walter *et al* (2001). Value Creation in Buyer-Seller Relationships: Theoretical Considerations and Empirical Results from a Supplier's Perspective. *Industrial Marketing Management*, 30, 365-377. Retrieved September 10, 2004, from Business Source Premier Database.

LIST OF REFERENCES

Wooldridge, A. (1997, March 22). The advice business. *Economist*, 342(8009), *Management consultancy survey*, p3. Retrieved December 4, 2004, from Business Source Premier Database.

Yin, R. K. (1988). Case Study Research: Design and Methods. London: Sage Publications.

Internet sources

Internet Source, Retrieved September 27, 2004

Internet Source, Retrieved October 21, 2004

Internet Source, Retrieved October 25, 2004

Internet Source, Retrieved November 13, 2004

Internet Source, Retrieved November 8, 2004

www.valuebasedmanagement.net/faq_what_is_value.html, Retrieved November 17, 2004

www.valuequotes.net, Retrieved November 17, 2004

Other sources

Årsredovisning 2003, Retrieved November 24, 2004, from Internet

ABOY's documents (offers, reports and business concept)

Michael Porter's lecture: *Strategy & Competitive advantage*, provided in Gothenburg University on September 19, 2003.

Interviews with ABOY's consultants and the clients

APPENDIX 1 - Narratives of the Other Sub-Cases

Case 4

The organisation was established in 1987 when two cities merged to create a more efficient organisation. The same year another unit joined the organisation, which was also the case in the year of 1993. The current organisation employs approximately 600 persons. These people find their everyday work at one of the 17 departments in the area in which the organisation works.²²

The Project Description

The organisational restructuring springs from the fact that the organisation had worked with the same principles since the beginning of the seventies. Furthermore, the coming change in the business climate required the organisation to adjust its work in a new way, something that also initiated the change process.

ABOY was assigned to lead a process, which through workshops with the personnel, aimed to produce a common base of values that later could be used in the reorganisation. Furthermore, ABOY was responsible for supporting the organisation in their work to create a common vision.

Initially, ABOY arranged three separate, full day workshops according to a modified version of the “world café method²³”. ABOY, and the assigned project leader from the organisation led the workshops. Practically, this meant that about 150 persons met to discuss open questions such as, “*What is a good service in 2010?*” In the next stage, ABOY facilitated dialogue meetings with groups, originating from different levels in the organisation with the aim to clarify their position in the new organisation. In the last stage, three consultants that were working with the project divided the management between them; constructing three separate groups, and visited different departments. In these meetings, dialogue was initiated with the help of more detailed questions that focused on the role of the individuals in the organisation.

The Image of the Consultant

The reason for hiring a consultant is, according to one of the interviewees, that they have a great knowledge and experience of the business but also because they can act as the whip, the ‘devils advocate’ and as they sometimes get to function as the engine in the company. It is also important that they are

²² Internet source

²³ This method is described in the appendix 3

engaged and that they understand how the individuals within the company work.

According to both of the interviewees, ABOY is engaged. The consultants have a charisma and a youthful enthusiasm, which with their inviting way managed to become very close to the organisation's employees. One of the persons states that it is important to have this relationship and to be inspired and continues that "*when you are inspired, you believe in what you are doing.*" The other interviewee points out that the important thing is that the consultant is open and humanistic. Furthermore, an honest and positive relationship is something that both regard as a necessity when working with consultants.

One of the interviewees mentions that ABOY was hired because the company's employees seemed to believe in what they were saying. This made the offer very tempting and was appreciated a lot in an organisation when the actual work was carried out, the interviewee continues.

The Perception of Value Creation

The interviewees feel that the value has been created through the dialogue that ABOY has initiated. According to them the café method, in which all of the participants (150 persons) got to sit around different paper framed tables and discuss various issues, helped them to understand the problems and possibilities of the organisation. "*We want to create a family like atmosphere in all the departments and I hope that everyone have taken apart of the education provided by ABOY*", one of the interviewees says. It is important to have a third-eye when working with something like this, one person says. The other interviewee states that the hard part is to go from dialogue to action.

When asked if they missed something, one of the interviewees states that sometimes there was a feeling of frustration, especially when trying to book a meeting, if it was not possible to have straight away. "*When we were in our flow it was hard to catch ABOY... ..our personal assistant was not available*", the interviewee states further.

The same person also believes that value is created at different points in the process: "*During the dialogue meeting value was created while they were there, but when it comes to the work with the construction of the organisation it has been on different occasions*" and persists that "*it is when you realize something, when it goes to the spine, that's when you have a long term effect.*"

The Customer Relationship

Both of the interviewees believe that they have had more than a buyer-seller relationship; it has been more like a partnership. When the interviewees are asked how this has been achieved and why it is important, one says that there has been a good communication, which have led them to feel very equal in the relationship. *“The basic human values have to be quite similar as it is important to understand each other”* one of the interviewee claims. To achieve this you need a deeper, more personal relationship, confirms the other one.

The feedback has, according to the interviewees, been lacking throughout the project. One has been asked to give feedback on the material while the other, in the beginning got to give continuous feedback of the project. This apparently is something that has been lacking in the end though, according to one interviewee.

They both believe that learning labs would be beneficial for both them and for ABOY. A suggestion that comes up is that the learning labs should be done with the several clients and ABOY, as it then would be possible to learn from each other.

Case 5

This municipality, situated in the southern part of Sweden, has approximately 25 000 inhabitants. The municipality in the last five years continuously worked to create a modern organisation to be able to meet the demands of the municipality's employees. One step in this process has been to develop and strengthen the department of child and youth education, a department that primarily works with issues connected to the compulsory school and the activities designed for children. The mission of the department of child and youth education is to create an environment where the children can begin a life long learning, hence, giving them the prerequisite for advanced studies, a belief in the future and the possibility to develop as democratic citizens.²⁴

The Project Description

The project within the department of child and youth education was created as a line in the continuous development within the municipality. ABOY were assigned to assist the internal project leader in the planning and in the realisation of the project. The main activities subsequently encompassed interviews, project documentation and the supervision of group- and dialogue meetings.

The projects were designed as a learning process with an ambition to create involvement. To develop a common understanding in the organisation, three dialogue meetings were constructed. ABOY acted as a support for the local project leader in these meetings where around 40 to 50 persons participated in "The world café" method. Furthermore, the consultants worked closely with the project group and participated in their communication with the management- and reference groups.

The Image of the Consultant

The main reason for hiring the consultants, according to all the interviewees, were to ignite the project. Furthermore, they believe that the consultant needs to be able to understand the problem quite quickly in the beginning of the project and then have the strength to run the process from start to goal.

Surprisingly, professionalism and expertise was taken for granted, while all the interviewees chose to focus on the softer values when asked about the critical components for a thriving relationship. Half of the interviewees also mention the importance of loyalty in the context that some things have to be kept as a

²⁴ Data from ABOY's documents

secret by the consultants. It is therefore important that trust exists between the two parts. One common belief is also that the consultant should give support to the organisation, rather than take the role as the decision maker.

When steering the conversation towards ABOY the interviewees mention a number of things that are appreciated in the relationship. There was a general agreement that ABOY was highly creative and that the consultants were very good at creating a dialogue, both with the client but also between the members of the project group. A majority of the interviewees also mentioned that they saw ABOY as a very young and glamorous company, something that in the eyes of one person was very important.

Finally, three interviewees mentioned how the consultants always came with a positive attitude and really listened what we had to say. One of the individuals state, *“It feels like they really care.”*

The Perception of Value Creation

The value is, according to three of the persons interviewed created by ABOY's involvement in the process. *“We could probably have done this re-organisation by ourselves, but with ABOY's involvement we managed to increase the value of the process”* says one of the interviewees. When asked how ABOY did this, the individual answers: by using the right methods to create a dialogue and participation.

Although only one answered like this in the specific context all interviewees mention this opinion. Another point comes across in one of the interviews, *“This (the dialogue) has led to a deeper understanding and trust within the organisation”*, a sentence that somehow disrupted as this person also states that there sometimes could be a bit too much of dialogue, when asked if she felt that something was wrong in the process.

One opinion which surfaces after a long discussion about value creation is that the process consultant have to hold the customer's hand and guide them to a new way of looking at the world, to be a guide to a new understanding. When asked why this is so important the person adds, *“When you have to totally change your way of thinking and is up in the blue there have to be someone present that you trust so that you are able to feel good when you finally land in the new world”*.

The perception of when the value is created varies between the persons interviewed. A majority believes that value is created when the tools are used within the organisation, two persons actually state: *“The value is created when*

the focus is changed or when you feel safe enough to change your world view". Another understanding is that value is created in steps throughout the whole process. In the beginning, when the consultant makes the project trustworthy. In the process, when they use the right methods and finally in the end, when they create something lasting.

None of the persons in the interviews see how ABOY could have created more value for the municipality.

The Customer Relationship

All of the interviewees emphasise the importance of a clear customer-supplier relationship. When asked if this relationship can support the opinions stated in the value creation part, a majority answers that it of course has to have something extra in the relationship but that this should not affect the customer-supplier relationship. Furthermore, the social skills of the consultant are seen as crucial as this will have a clear effect on the relationship. This will make changes in the process more easy to come with and will it easier to determine the extent to which the consultant can make decisions. One person states, *"It is important that we own the process and use ABOY as a support... ...the consultant should not have a personal influence in the work"*.

When asked if they see ABOY or a person working with the project, the interviewees believe that they see the person. Even so, one person understands that the ideas of this person belongs to the company while another person states that such a project could not have been done without the support of ABOY. Even so, all four individuals emphasised the importance of building trust in a consultant-client relationship.

Only one of the individuals interviewed stated that he had been asked to give a final feedback on the project, something that this person felt that was enough. The others felt that there was a continuous feedback during the process something that they felt was important and worked good.

When asked if a learning lab would have been interesting to participate in, all the interviewees state that this would have been good to have as a reflection. Two persons mention that they actually were offered to do such a reflection but that they declined after found out that it would cost them more money. *"A learning lab should be just as interesting to ABOY as for us, (should it not?)*, says one. Furthermore, one person mentions that it would be good to use other consultants in such a reflection, *"There might be a risk in using the consultants that have been active in the project as it is easy to pat each other on the back instead of challenging the things done"*.

Case 6

This case company is an adult educational association. Its business idea is to work with adult education and provide a possibility for development and learning through study circles, courses, cultural activities and experiences as well as humanitarian and life attitude questions. The activities cover many different areas from rock music, choirs, and theatre to leadership development, vocational training, and discussion groups. It has activities in every municipality in Sweden and it is one of the biggest culture organiser in the country. The case company has an active involvement in the society and its partner organisations, and it works with the assignments given by both partner organisations and the society.

The Project Description

This case company is an organisation that is built in three levels: country, districts and departments in some of these districts. Every different department functions as an individual 'company'. ABOY was hired to help with a financial process that the organisation wanted to drive through. The aim of the project was to increase the quality, not to save money – to make all the people to walk in the same direction.

ABOY and the case company developed a mutual suggestion on how to integrate the financial processes of the departments by using process structuring, group and dialogue meetings and follow up meetings. The work was done in one project group, and in one managerial group, where the consultant had a supportive function in sharing knowledge and prior experiences, and by taking the role as a dialogue leader.

At the case company they were very pleased with what was accomplished. Currently they are working with the reformation of salaries and remuneration fees.

The Image of the Consultant

Both interviewees think that when hiring consultants it is important to be sure that they have experience within the area and that they are flexible and honest. Furthermore, they state that the consultants have to be professional, knowledgeable, and trustworthy.

The interviewees feel that ABOY has managed to fill these expectations. Additional to this they also say that ABOY has a broad competence, and that the consultants are good in cooperating as well as listening the client. The other

interviewee reveals that the consultants that they have worked with have a pedagogical thinking and continues that they are good in creating understanding within the organisation. It is important for a consultant to know the client's organisation and business state both interviewees.

The Perception of Value Creation

The interviewees believe that ABOY created value for the organisation with its experience, and thus saving time for the organisation. Moreover, they think that by bringing the knowledge that does not exist in the organisation and engaging all the people into the discussions and further to the process the consultants created value to the organisation. They believe that this will have a big role in the future. *"It was important to have different points of view"*, one of the interviewees states. While the other argues that *"that they were role models of how to run a project, so that we could do it later by ourselves."* One interviewee proposes that value is created by doing a serious work and by having openness so that trust can be built. *"ABOY has left the tools for us to continue the development work"* claims the other one.

One of the individuals believes that the first meeting between the participants is very important, that you are on 'speaking terms'. It is as well essential to share the same vision, have a picture of what should be done, to talk the same language.

For the question when the value is created both interviewees answered in a similar way. They believe that value is created continuously during the project, from the first moment until the problem is solved. One says that the *"value increases all the time from the beginning to the end"* while another states that, *"I see the whole journey as value creating as people get to understand what is happening in the organisation."*

When asking how ABOY could have created more value we received only few proposals since one of the interviewees was completely happy and didn't miss anything. On the other hand one of them proposes that ABOY could have had made a better planning of how the people in the organisation were to be involved. ABOY should have been clearer with what the case company should do, what ABOY should do and what they should do together. Moreover, there is a wish for better support in the beginning with the planning and the structuring. Even though they appreciated the way ABOY handled the development they would hope more sparring and reflection. Last the interviewee says that *"Of course one cannot be a mind reader but they could have try to do it."*

The Customer Relationship

The interviewees don't see the relationship as a pure customer-supplier relationship. *"There is a lot of cooperation as we make something together"*, says the one of the interviewed persons. Another one believes in a consultant-client relationship, which is supported by a more social relationship and adds that *"ABOY is a professional company with a personal touch... ..it has been smooth, nice and there has been trust in the relationship"*. The other one supports this by saying that they try to be personal, they present themselves not only as professionals but also as human beings and sums up: *"ABOY is also very good at saying we, instead of you."*

Neither one of them has been asked to give 'formal' feedback but one of them have done this spontaneously and continuously when moving along in the process. The both interviewees think that it is vital to have feedback discussions in order to learn from the process. Both are also interested in having a learning lab after the project, even though one believes that it might be good to wait and see if the changes have been good or not.

When asked if they see the company or the consultant they say that they see both ABOY and the consultants. However, one believes that it is more about the consultants than about ABOY.

Case 7

This is an investment company that is located in Sweden. The case company is the owner of a concern, which in turn owns case companies 3 and 8, companies that are described below.

The Project Description

The case company was the acting decision makers in giving ABOY their assignment for case companies 5 and 8. Subsequently, they did not participate in the project, but did receive information on how the project was fairing. The transcribed interview below therefore gives a view of the actual buyers impression of ABOY.

Image of the Consultant

The person interviewed look for a consultant that can achieve a long-term result. To do this the consultants need to be clear on how to go about the process, but also need to have a follow-up. They need to have an understanding of people, to be humanistic, as they are to work with individuals. Furthermore, a consultant need to be pedagogical, they need to be good diplomats, to be a 'fox' and to be persistent.

The interviewee believes that you see the individual and not the company when working with consultants. But, a person says, if you are doing a company analysis then you might need a consultancy company that can build an entire team.

The Perception of Value Creation

"Everything is value creating", the interviewee says and explains that when one goes to the cinema she creates a cultural value and so on but the *"important thing for us is that we should earn money from hiring the consultant, to create initiatives for a better result."* The interviewee believes that it is important that the consultant can understand the situation of the persons that they are working with, *"a work leader will, for example, not be interested in a change if this will make the work more stressful for him or if it can cost him his job"*, a person says. To create value you therefore need to understand every individual and their stake in the project. Finally, when discussing value creation, the interviewee believes that the value is crated when people see things in another way, when they can leave their old thinking.

The Customer Relationship

According to the interviewee, the most important thing in the relationship between the consultant and the client is that they share the same goal. *“To do this you need to have a good relationship”*, says the interviewee. When asked what a good relationship is about, the interviewed person states that the consultant has to be sharp and that there have to be an openness in the relationship. The interviewee does not believe that there has to be any feedback, not as long as you are happy anyhow, the interviewee ends.

Case 8

The company was established in 1859 and have since then gone through various changes, nowadays the company is part of another concern. The business makes high quality fabrics for different fields and employs 75 persons and with a turnover of about 150 Million Swedish Crowns.

The Project Description

See case 3.

The Image of the Consultant

The interviewees think that some of the experiences are good some bad it is like in normal life as well. Both interviewees look for consultants the ability to improve the business. They say that it is not good to waste time and energy just to see that nothing happens. They both think that the consultant have to understand that it is relationship with people, there has to be mutual respect, and trust between the participants. One of them claims that, *“being professional and having social abilities are needed to gain respect, both required.”*

“We were a company that was just taking over and we were then told that we are going to get ABOY. I expect that the initial expression was that what the hell is happening here, I mean it was what went through our mind. Then the perception when they came was actually after the job that we are better company, and that is something that you cannot say about every consultancy company.”

When asking how they perceived ABOY and its consultants the other one answers that *“they were very professional and very slick, very friendly with us.”* Moreover the interviewee says that the consultants worked very hard and by spending few days at the company they got to know them well. The other supports and states that, *“they were very passionate and friendly people.”*

One of the interviewees says that it can be very hard to leave the company with a good impression if you do not spend time with the people. If a consultant comes in, goes away and then returns with a report this does not give anything to the business the interviewees think. The other adds that, *“sometimes it is like this that we say what the business needs and then you find the same things in the report”* and confirms that this was not the case with ABOY. *“ABOY did a good job and we were happy”*, they agree even though that the consultants didn't obviously know the client's business and they made some

recommendations that could not be used. This is not criticism just the fact of the life, one of them explains.

They agree that ABOY had a process consultancy approach. They reveal that ABOY left them some basic tools, which are still utilised in the daily business on a regular basis, e.g. in cash management.

The Perception of Value Creation

According to the interviewees, ABOY creates value by spending time on areas that previously had been overlooked, by acting as a third eye and by bringing experiences from other businesses. One of the persons also believes that they bring an element of discipline as the persons at the company have their own work to tend to and therefore tend to push these matters to the side in their everyday work.

Both of the interviewees also believe that the creation of different project groups, with persons from different levels of the company, created a value as the ideas had already had settled when it actually came to the final implementation of the new working method. According to both persons, this had never really been done before and it therefore gave everyone a more holistic view of the business, which eventually resulted in a wider understanding. Furthermore, one of the interviewees mention, that it was good that ABOY actually went through their recommendations with the organisation before they included them in the report. *“If something is totally wrong in the report, what is then the benefit of it?”* one of the interviewees says.

The value that comes from the work with a consultant surfaces when the things you have worked with are put together, say both of the interviewees. This value also increases as different persons uses the work in different ways.

The general understanding within the organisation is that ABOY did just enough in the company. *“If they would have done more it would have upset me as it was already a lot of work for us to do,”* one of the interviewees states. The other person argues that it is all about good judgement on the part of the consultant. He believes that people still need to be able to do their daily work, and that a huge project probably will disturb this.

The Customer Relationship

To the interviewees the social skill of the consultant is the very thing that builds a good business relationship. One of them states: *“When a consultant come in with their laptop people often don’t want to speak to them, which is*

why it is important to build trust and have these social skills to eliminate the suspicious attitude”.

The case company has not been offered to give any final feedback on the work that they have done with ABOY, say the interviewees. This is something that would have been appreciated though as, in their point of view, were some things that were not really clear in the project, e.g. when the project was to be finished. Even so, they state that the relationship was really open with the consultant and that they could give continuous feedback during the process.

Case 9

This company was created in 1975. Since then the company have, mostly by organic growth, expanded from a regional player to an important actor in the north-western part of Europe. In year 2003 the company transported 12.2 million passengers and 1.1 million freight units.

The Project Description

In the beginning of 2000, the case company did a process mapping to understand how they could make the business more effective. In this mapping they found, amongst other things, that the IT-system, which supported the financial part of the organisation, was not able to live up to the standards that they were trying to achieve. They saw a need to implement a new consolidating, reporting and budgeting system.

In June 2003, ABOY were asked to support the organisation in setting the requirements for this system and also in dealing with the ordering process. This was done with a traditional project work, where a group set the specifications for the system and the supplier with ABOY as a supportive function.

The Image of the Consultant

When scouting for a consultant, a majority of the interviewees look for a resource that can save time and bring knowledge to the company. Changing an economy system could, for example, be done by the organisation but as the employees have to work with their daily work as well it is good to use consultants, one of the interviewees says. It is also stated in one of the interviews that consultants should be proactive, able to think by themselves and help their client with practical experiences. Furthermore, they should be clear and honest.

The consultants from ABOY are seen as capable and professional with a wide knowledge from both the academic and the practical world. According to one of the interviewees they are also very down to earth, which gives them a more humanistic approach.

The Perception of Value Creation

The perception on how value is created differentiates in the interviews. A majority believes that the value solely lies within the resources that ABOY brings in the form of a consultant. Furthermore, they believe that the system itself will bring the value when it is implemented and that it continuously will

increase this value. “*ABOY did not bring anything unique to the organisation, it was pure resource help*”, one says. When asked why the case company did not use a recruiting company, such as Manpower, he says that they of course suppose that the consultants are more capable. In the beginning of each project a competence check is made and the decision is based upon this.

The other opinion brought forward is that ABOY helped to create a structured way of attacking the problem in the beginning and that they were able to concentrate on the big picture before attacking the smaller. Furthermore, this person believes that there, as a result of ABOY’s work has been a mental development within the organisation. “*The quality of work has increased*” one of the interviewees comments.

According to all of the interviewees, one part of the value is created during the process. A majority then believes that value also is created when the project ends while the other interviewee thinks that it is created in the beginning. Here is also a general agreement that the process adds to the value created in the project.

Finally, there is a general agreement that the consultant adds value by bringing a third eye to the organisation.

The Customer Relationship

The relationship with the consultant was, according to all the interviewees, deeper than a customer-supplier relationship. When asked why, all of them respond that it is because they have known the consultant in question for such a long time and that they rather see him than ABOY. Even so, they all feel that it is important to have a more than professional relationship, as it is important to be able to discuss other things than just work. One interviewee says, “*It is important that the consultant is a part of the team and that people accept him*”. It is also important to feel something from the consultant, another person argues while discussing social skills.

All of the interviewees at the case company have been asked to give feedback continuously but still believe that it would have been good to have a final feedback or reflection session. In the continuous feedback they have felt that it have been easy to discuss both easy and difficult things, which they believe is due to the open dialogue that they have with the consultant.

APPENDIX 2 - The Components Categorised

Individual Value Triggers

<p>Do</p> <p>The consultants should understand and get along with people</p> <p>The consultants need to gain trust</p> <p>The consultants need to listen</p>
<p>Be</p> <p>The consultants should be enthusiastic and passionate</p> <p>The consultants should be honest</p> <p>The consultants should be humanistic</p> <p>The consultants should be inspiring</p> <p>The consultants should be open</p> <p>The consultants should be pedagogical</p>
<p>Know</p> <p>The consultants should be professionals</p> <p>The consultants should have expertise</p> <p>The consultants should have relevant (business) knowledge</p> <p>The consultants should possess relevant experiences</p>

Arenas of Value Creation

<p>Tangible</p> <p>The consultants plan and structure the project</p> <p>The consultants bring knowledgeable manpower</p> <p>The consultants have relevant experience (from other businesses, areas)</p> <p>The consultants provide 'theoretical' knowledge</p> <p>The consultants bring value and improve the business</p>
<p>Intangible</p> <p>The consultants create a dialogue and shared learning</p> <p>The consultants create a process with a continuous learning</p> <p>The consultants are to lubricate the process</p> <p>The consultants should be engaged in the project</p> <p>The consultants should be facilitators</p> <p>The consultants create a new understanding</p> <p>The consultants should initiate dialogue</p> <p>The consultants should challenge the existing ideas</p> <p>The consultants aim to create a common language</p> <p>The consultants challenge the initial problem and create a new understanding</p> <p>The consultants act as the "Third Eye", give an objective view</p>

APPENDIX 3 - Glossary

The World Café Method

This is a method that is designed to draw deeply on experiences and to create new relationships by exploring a set of questions in a group environment. In the actual situation, where this method is used, people are gathered in small groups with three to four persons and are asked to explore questions where their collective mindset can find new and interesting things. Notes and perspectives are written down to save the insights that are developed during the conversation. (Brown, Isaacs, Margulies & Warhaftig, 1999)

After a while, members are asked to move to another table where the discussion starts again, this time with other persons. In this way the insights are shared amongst the tables and the persons, this is then supposed to give a more holistic perspective of the organisation, build a capacity and create a shared wisdom and knowledge within the group, create value. (Brown, et al., 1999)

A Project Group Method²⁵

This method can be used in various situations and it is applicable in many ways. It is not depended on the amount of the participants nor the time and space in general. Of course, if a project group is to be constructed there has to be time to work with it.

The project group size ranges from four to 50 people, it depends on the problem at hand. The more insights and opinions that are needed, in order to create a bigger picture of the organisation or the problem at hand, the more people need to be involved. On the other hand, if the project entails only some part(s) of the organisation the project group is often smaller. Nevertheless, the role of the consultant is most often to initiate the discussion and show the group ways to move forward, which does not necessarily mean that they lead the project.

Without taking into account the size of the project groups, it is essential for all the members of a project group to have a common goal, a shared picture of what is to be achieved. This to be especially important when working with organisational changes since people should know what is the point of the 'exercise'. Therefore, it is crucial that the project group delivers the information further within the organisation, so that everybody have a possibility to be up to date.

²⁵ Discussion with a consultant

APPENDIX 4 – Questions for ABOY’s Consultants

Name:

Position:

Image of ABOY

1. What does ABOY stand for and how do you perceive the organisational culture of the company? (Vad representerar ABOY och hur skulle du beskriva organisations kulturen?)
2. How is ABOY different from other consultancy companies? (Hur skiljer sig ABOY från andra konsult firmor?)
3. What organisational values are important to you? (Vilka organisatoriska värderingar är viktiga för dig?)
4. What kinds of differences in beliefs exist in ABOY, according to you? (Hur skiljer sig de organisatoriska värderingarna inom ABOY enligt dig?)
5. What would you change in ABOY’s method of working? (Vad skulle du vilja förändra i ABOYs arbetssätt?)
6. What is your role as a consultant when working with a client? (Vilken är din roll som konsult när du jobbar mot/med en kund?)
7. How do you think that the client perceives ABOY? (Vilken bild tror du att era kunder har av ABOY?)

Value Creation

8. How do you define and understand value creation for the client? (Hur skulle du definiera värde skapande, för kunden?)
9. How does ABOY create value for the clients? (Hur skapar ABOY värde för sina kunder?)
10. How could ABOY add more value to the clients? (Hur skulle ABOY kunna skapa ytterligare värde för sina kunder?)
11. What activities do you believe that the clients value? (Vilka aktiviteter tror du att kunden värderar?)

Customer Relationship

12. What kind of customer relationship do you aim to achieve? (Vilken kundrelation söker ABOY att etablera?)

13. How do you see the role of the project members when working with a process? (Vilken roll har medlemmarna i kundens projektgrupp då ni gemensamt arbetar med en process?)

14. How does ABOY reflect upon customer feedback? (Hur arbetar ABOY med kundernas utvärderingar?)

Is there something that you would like to add?

APPENDIX 5 – Questions for ABOY’s Clients

Name:

Position:

Bought consultancy service(s):

Image of ABOY

1. Associate and describe ABOY with your own words? (Hur skulle Ni beskriva konsultföretaget ABOY?)
2. How does ABOY’s way of working differentiate from your prior experiences? (Hur skiljer sig ABOYs arbetsmetoder från Era tidigare erfarenheter?)
3. Why did you choose to work with ABOY? (Varför valde Ni att arbeta med ABOY?)
4. Would you choose them again? (Skulle Ni välja att arbeta med ABOY igen?)

Value Creation

5. How does ABOY create value to your company? (Hur hjälper ABOY ert företag att skapa värde?)
6. What activities have enhanced your experiences when working with ABOY? (Vilka specifika aktiviteter har berikat Ert samarbete med ABOY?)
7. When is the value created? (När skapas det ”köpta” värdet enligt dig?)
8. How could ABOY create more value to your company? (Hur skulle ABOY kunna tillföra mer värde för Ert företag?)

Customer Relationship

9. How do you perceive the relationship with ABOY? (Vilken relation har ni till ABOY?)

10. How would you define your role in a process? (Vilken anser Ni vara Er roll i ett/en projekt/process?)

11. What kind of relationship you would like to have with ABOY? (Vilken sorts relation önskar Ni ha med ABOY?)

12. What would you change in ABOY's way of working? (Vad skulle Ni vilja förändra i ABOYs arbetsmetod?)

13. Have you been asked to give feedback and if so, how is this done? (Har du blivit ombedd att ge feedback, och i så fall på vilket sätt?)

Is there something that you would like to add?