Bringing research to management practice[1]

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Businesses and other organizations exist to create value. We as management scholars also exist to create value by bringing research to practice. Value creation for, whom? Value for customers, owners, partners and the society at large. The old way is understanding value as embedded in units of output - goods and services, while the emerging view understand value as cocreated among collaborating actors in ecosystems. How can we as scholars explain value creation in ways that contribute to management practice? Are we building an Ivory tower by using concepts that are hard to grasp? How can we create value with our research for management practice?

My academic home is Service Research Center - CTF and Karlstad Business School. I have during some time reflected on the essence of how we present research findings for practitioners and design executive programs. I have discussed with leaders from a wide range of businesses, including Volvo and IKEA. I also learnt from participants in executive development courses, and a program at CTF, focusing on bringing service research to practice; Improving value creation through Service Education (ISE), with around 20 online courses. See website: ISE, Improving value creation through service education (kau.se). My experience is that three interdependent aspects of value creation are particularly useful when bringing research to practice as a basis for *Managing value creation.*

1. Understanding what value creation is

Value creation can be understood as systemically, cocreated, actor defined and situation/context dependent. We can also argue that value is an experience and that managing value creation should be focused on creating favorable user experiences.

Value creation cannot be understood by focusing on offerings (goods, services, information), individual brands or firms only. Resources, actors, technology and institutional arrangements in a wider ecosystem is needed to understand what is shaping value creating processes and outcomes. This ecosystem scope is useful if not a necessity to inform management practice and connect to their challenges, and thus our research creates value for managers. They understand the relevance and research enable and support them to better perform their management tasks.

In the travel and hospitality industry, various service providers, such as airlines, hotels, tour operators, and transportation companies, collaborate

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to create value for customers. For example, a customer planning a vacation might book a flight, reserve a hotel room, arrange for local transportation, wine testing, a concert and purchase sightseeing activities. By integrating these services, the ecosystem creates value by simplifying the travel planning process, reducing customer effort, and enhancing customer experience, but also business value for the different service providers. The integration might be enabled and managed with digital platforms.

Additionally, online travel platforms like Expedia and Booking.com act as intermediaries in value creation processes across ecosystems, to offer convenience and competitive pricing. By providing a single platform for customers to access a wide range of services, these platforms create value by saving customers time and effort in searching and booking individual services as well as managing value creation for the providers point of view

Smart home devices, such as smart thermostats, security systems, and voice assistants, create value by interacting with different service providers and offering enhanced convenience and control to customers. Companies like Amazon (Alexa) and Google (Google Assistant) have developed voice-activated assistants that connect actors to various devices and services. Customers can control their lighting, music, security, temperature in different rooms and even (remotely) order products through voice commands. Many financial services are providing customer with access to a wide range of services; paying bills, buying shares, transferring money, bank loans, providing credit cards etc. These services can be accessed or carried out independent of time and location.

In the above examples, value creation is driven by the integration of multiple service providers' resources (offerings) within and across ecosystems, enabling customers to benefit from individualized experiences. Furthermore, managing integration of value creation processes has shifted from the provider to customers or users. This enables self-customization and activities are carried out by users rather than by employees.

2. Controlling and governing value cocreation

Processes and outcomes; including quality, productivity, experience, circularity and profitability. Firms and other organizations create online customer communities where customers can interact, collaborate, and co-create value. Controlling and governing such value co-creation processes is crucial to ensure intended outcomes and experiences.

LEGO created the LEGO Ideas platform, where customers can submit their own unique designs for LEGO sets. The community members can vote on the designs, and if a design receives enough support, LEGO considers producing it as an official set. LEGO carefully monitors the platform to maintain quality and ensure that designs comply with their guidelines. By controlling and governing the platform, LEGO can effectively harness the collective creativity of their customers and co-create value while maintaining brand integrity.

In business-to-business (B2B) service ecosystems, organizations often establish service level agreements to control and govern value cocreation processes and outcomes. SLAs define the agreed-upon terms, metrics, and responsibilities for delivering services between the provider and the customer. They serve as performance benchmarks and contractual obligations, controlling that the value created meets the expectations of engaged actors. Cloud service providers like Amazon Web Services (AWS) offer SLAs that control and specify uptime guarantees, response times for support requests, and data security measures.

These examples highlight the importance of controlling and governing value co-creation processes and outcomes in service actors' ecosystems. By implementing monitoring mechanisms, establishing guidelines, and defining performance expectations, organizations can maintain the desired direction and quality of the co-creation efforts, leading to enhanced value for both the customers and the organization

3. Renewing value creation through innovation

Renewing value creation through innovation involves identifying and capitalizing on emerging trends, technologies, and customer engagement and needs. Innovation means looking at reality and rearranging the set of collaborating actors and orchestrating resources into new value creating ecosystem configurations. Innovation through robots is improving the creation of value not only in manufacturing, but also in sectors such as healthcare and hospitality. Value creation is also renewed through platform-based innovation ecosystems. A platform-based innovation ecosystem links multiple markets and their corresponding stakeholders for joint value creation and innovation around a platform. Studies on innovation have shown that the introduction of a platform to an ICT market typically causes major change in the market structures and value cocreation processes.

We benefit today from earlier innovations and the stream of innovations are continuously improving value creation. We all know the iPhone, which disrupted the mobile phone industry by combining features such as a touchscreen interface, internet connectivity, and a variety of multimedia capabilities in one device. Apple's ability to anticipate customer experiences, design sleek and intuitive user interfaces, and create an ecosystem of complementary products and services has allowed them to continuously renew value creation. Another example is Tesla. By continuously pushing the boundaries of what is possible in EV technology, Tesla has catalyzed a shift towards sustainable transportation and redefined the value proposition in the automotive industry, and the transformation is ongoing.

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The examples above highlight how organizations can renew value creation in a wide range of ways by identifying untapped opportunities, leverage emerging technologies, and reimagine traditional industries.

Conclusion

All organizations exist to create value for themselves and others. As management scholars, we also exist to create value and have a responsibility to present our research in ways that are useful for management practice. I have in this editorial argued that we have a responsibility to bring and connect our research to management practice. We can, and to better that, do more to support managers and connect to their burning questions and challenges. If we show how our findings contribute to better understand and manage Value creation, we will improve the impact of our research. Share your experiences. Let us continue this discussion!

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