From interactions to cocreation
A systems view on digitalisation
and the thereby changing management practices

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• Ketonen-Oksi, S. (2017). Enabling density in value co-creation – The role of Social Media in service ecosystem (under review)


Supervisor: Ass.Prof. Nina Helander
"Consciousness, Cognition, and CoCreation Value CoCreation in the Increasingly Complex Service Ecosystems" - Three Vital Steps for Understanding Value CoCreation in the Increasingly Complex Service Ecosystems

Supervisor: Ass.Prof. Nina Helander


Ketonen-Oksi, S. (2016). Re-inventing organizational creativity and innovation through adapting a service-based view into Business Practice. IGI Global.


DIGITALISATION & CHANGING BUSINESS LOGICS
Analogue technologies    Digital technologies

1st Kondratieff 1780-1830 steam engine
2nd Kondratieff 1830-1880 railway, steel
3rd Kondratieff 1880-1930 electrification, chemicals
5th Kondratieff 1970-2010 ICT
6th Kondratieff 2010-2050 intelligent technologies

Analogue technologies    Digital technologies

Picture: Wilenius 2012 (Datastream)
MECHANICAL THINKING

Causalities, processes
Isolation, silos

SYSTEMS THINKING

Interconnectedness
Interdependences
Normann, 2001: Principles of density
SERVICE-DOMINANT LOGIC & ECOSYSTEMS THINKING
<table>
<thead>
<tr>
<th>Axiom</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Service is the fundamental basis of exchange.</td>
</tr>
<tr>
<td>2</td>
<td>Value is cocreated by multiple actors, always including the beneficiary.</td>
</tr>
<tr>
<td>3</td>
<td>All social and economic actors are resource integrators.</td>
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<td>4</td>
<td>Value is always uniquely and phenomenologically determined by the beneficiary.</td>
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<tr>
<td>5</td>
<td>Value cocreation is coordinated through actor-generated institutions and institutional arrangements.</td>
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</tbody>
</table>
Innovation Ecosystems
integrate exploration (knowledge) and exploitation (business) ecosystems

Knowledge Ecosystems
focus on generating new knowledge and technologies

Business Ecosystems
focus on creating customer value

Focal Company or Platform

Source: Valkokari, 2015
<table>
<thead>
<tr>
<th>GOODS-DOMINANT LOGIC</th>
<th>TRANSFORMATION</th>
<th>SERVICE-DOMINANT LOGIC</th>
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</thead>
<tbody>
<tr>
<td>Goods</td>
<td>Services</td>
<td>Service</td>
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<tr>
<td>Products</td>
<td>Offerings</td>
<td>Experiences</td>
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<td>Feature / attitude</td>
<td>Benefit</td>
<td>Solutions</td>
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<td>Value-added</td>
<td>Co-production</td>
<td>Cocreation of value</td>
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<td>Profit maximation</td>
<td>Financial engineering</td>
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<td>Price</td>
<td>Value delivery</td>
<td>Value proposition</td>
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<td>Equilibrium system</td>
<td>Dynamic systems</td>
<td>Complex adaptive systems</td>
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<tr>
<td>Supply chain</td>
<td>Value chain</td>
<td>Service ecosystem</td>
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<tr>
<td>Promotion</td>
<td>Integrated marketing</td>
<td>Dialogue</td>
</tr>
<tr>
<td></td>
<td>communication</td>
<td></td>
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</table>

Source: Vargo and Lusch, 2004; 2014
“Service ecosystems are ‘relatively self-contained, self-adjusting systems of resource-integrating actors connected by shared institutional logics and mutual value creation through service exchange’.

Source: Vargo and Lusch 2011
Digitalisation

(1) External influence

CIS*

(3) Institutional arrangements

(2) Individual behaviour and attitudes

Organisational Working Culture

Digitalisation

* Communication and information sharing
DIFFERENT LEVELS OF VALUE COCREATION
IDEALISM OF VALUE COCREATION
REALISM OF VALUE COCREATION

1/3: DYADIC VALUE COCREATION

© Illustration by Maria Kivilaakso
REALISM OF VALUE COCREATION

2/3: COMPANY CENTRIC VALUE COCREATION

© Illustration by Maria Kivilaakso
REALISM OF VALUE COCREATION

3/3: SERVICE PLATFORMS AND ECOSYSTEMS

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Service-Dominant Logic is a perspective looking at everything around us. Actually, not only in terms of business activities, but society and the world around us in general.

Source: A capture from “Robert Lusch on Service-Dominant Logic”, Capri, 09-Dec-2009 (Youtube)
SYSTEMS THINKING IN PRACTICE?
CONSCIOUSNESS + COGNITION + COCREATION
What is needed is a perspective that looks at everything around us. Not only in terms of business activities.

THERE ARE NO FIT-FOR-ALL SOLUTIONS OR TOOLBOXES. WE NEED TO CHANGE ATTITUDES (MINDSETS).
• MOTIVATION
• COMMUNITY
• ENGAGEMENT
QUESTIONS? COMMENTS?

Thank you!

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