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Beyond sporadic actions: How to approach multi-party stakeholder collaboration in service development

Päivi J. Tossavainen

Abstract: The adoption of service-dominant logic (SDL) suggests inter-organizational collaboration and interdependencies during the development of service. Thus, integrating resources is of essence. This paper promotes the value of various stakeholders in developing services. It discusses how to approach multi-party collaboration to achieve simultaneous face-to-face actor-to-actor interaction. The purpose of the paper is to develop a framework to integrate stakeholders in service development. This is a two case research-based paper which investigates direct multi-party stakeholder collaboration and participatory development activities. In workshops, the experiences were positive: the service was not only understood more extensively but also developed further. The experimental evidence supports the use of direct interaction and workshop methods. The analysis shown in this paper provides a foundation for further research. The practitioners realize the power of direct multi-party stakeholder integration. And for academics, the paper provides advancements in integrative engagement approaches in developing service and its managerial consequences.

Keywords: Value co-creation · Interaction · Resource integration · Many-to-many networks · Service-dominant (S-D) logic · Relationship marketing

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Introduction

Resource integration in service - especially the operant resources - lies in the very heart of service-dominant logic (Vargo and Lusch, 2004, 2008). The meta-theoretical foundations of co-creation, resource integration, and actor-to-actor (A2A) networks have been constructed with a view of service systems and a variety of platforms. Today, complex value chains are increasingly reliant on resource integration, not just on the delivery of service, but also within the development of service. Conventional downstream and upstream network activities may not be adequate while key resources are divided among a variety of organizations. Hence, the contemporary view of dyadic relationships requires evaluation. In the service literature on resource integration, the discussion is on a generic level: Operand and operant resources (Vargo and Lusch, 2004, 2008), extending from customer – provider relationships to networks (Gummesson, 2008), or recently on actor-to-actor (Vargo and Lusch, 2011). Research focusing on more than one stakeholder group at the time is still scarce. To address this gap, this paper investigates multi-party stakeholder collaboration.

This paper contributes the co-creative value of the various stakeholders in developing service. This paper specifically studies face-to-face collaboration, and not virtual or digital interaction. This is in line with the process suggested by Ramaswamy and Gouillart (2010). Accordingly, this study is about the direct collaboration among various stakeholders from diverse organizations that takes place face-to-face, which allows sharing complementary know-how and professional experiences. This in turn opens up opportunities for the focal firm to broaden the **sporadic actions** in dyadic relationships into **simultaneous collaborative joint activities** within service development. We define *sporadic actions* as *initiatives taken by the focal firm in their dyadic relationships that may vary from a stakeholder to another*.

We propose that by engaging stakeholders into simultaneous joint activities, from various organizations from different levels of hierarchy, and dissimilar positions may increase 1) the diversification in the broadness of the information, and 2) the amount and quality of the development suggestions. Welcoming face-to-face collaboration among multi-party participants may bring in more perspectives, depth, and interchanges to the interaction. Considering service development relative to stakeholder collaboration, a more complete view can be achieved.

This study follows the Nordic Research tradition, which is characterized by an inductive approach, case studies, and theory generation while having the marketing context as a starting point (Gummesson and Grönroos, 2012). This paper discusses how to approach a multi-party collaboration and to achieve simultaneous actor-to-actor interaction. It examines multi-party stakeholder activities for service development within a business-to-business (B2B) context.

This paper moves the contemporary discussion of resource integration from theoretical construct level to the application of constructs to real cases. Specifically, this paper examines multi-party stakeholder collaboration methods in practice. It introduces and tests models that enable collaboration. The purpose of this study is to

develop a framework for multi-party collaboration that **is beyond sporadic actions**. The developed framework would fit and guide B2B resource integration processes for service development, which aims to improve joint activities on a continuous basis. Therefore, it may also serve as a platform for future research. This paper demonstrates the cooperation that was achieved and reflects on two years of a joint work within the research group. It reports on an illustrative experimental study in which both the firm's and the representatives of its stakeholder groups adopted collaborative methods to develop service through resource integration.

This paper stands on the assumption that the engaging firm's various stakeholders contributes to the service development. This assumption is in line with Grönroos and Helle (2012). The aim of the study reported in this paper was to test and develop models that enable efficient stakeholder participation and collaboration in the service development activities of a firm. For this study, *multi-party stakeholders refer not only to the number of stakeholders involved, but also the number of various organizations and stakeholder groups (types) they represent*. Furthermore, in this study, the stakeholders' direct collaboration is taking place at the same time, i.e., in joint workshops. Hence, this paper provides an empirical examination of the joint face-to-face sphere for value creation. Contemporary research highlights the usefulness of ICT in service development (Basole and Rouse, 2008, Russo-Spena and Mele, 2012). However, in highly digitized world, Ramaswamy and Guillard (2010) suggest the value of face-to-face multi-party stakeholder collaboration.

This paper is structured as follows. The next chapter provides a theoretical basis by integrating the literature on resource integration, stakeholders, and collaboration in the context of service development. The third chapter continues with explanation of the research design. It describes the research methodology and introduces the two cases. The fourth chapter presents the preliminary findings from the ongoing study. The paper ends with a discussion of the new knowledge based on the empirical evidence presented.

Resource integration through multi-party stakeholder collaboration

This paper adopts the service marketing and management approach (Grönroos, 2007, Zeithaml et al., 2009). In particular, in a B2B context, service logic needs to be adapted (Grönroos, 2011) and the foundational premises of SDL (Vargo and Lusch, 2004, 2008) are understood inherently. Accordingly, value is always co-created and thus the provider (firm) cannot create it only itself for the benefit of users or customers. The construct of value is linked to business profitability and divided further as value-in-exchange and value-in-use (Grönroos, 2011, Grönroos and Voima, 2013, Prahalad and Ramaswamy, 2004, Vargo and Lusch, 2008). These constructs reflect the time span of the value accumulation in a business setup and support the understanding of the user's determination of value. Thus, the service provider-customer interaction is focused on intertwining with each other's processes for improved service and creation of value. Therefore, the discourse of value co-creation is dominated by customer involvement, the customer as a co-creator, and long-term relationships (Berry and

Parasuraman, 1991, Prahalad and Ramaswamy, 2004, Vargo and Lusch, 2004). Three eras of marketing from the value discussion point of view are identified 1) value in exchange when people and machines create value, 2) value in use when firms create value propositions, and 3) value in systems where firms, customers, and stakeholders co-create value (Lusch and Webster, 2011) Today, the third era is in progress and focus is shifting towards the complex service systems with access on wide-ranging stakeholders.

The adoption of SDL also suggests inter-organizational collaboration and interdependencies between participants within service systems, also during the development of service (Frow and Payne, 2011, Gummesson and Grönroos, 2012, Vargo and Lusch, 2004, 2008). Dougherty (2004) states that knowledge is situated in collective action. Recently, Carlborg et al. (2013), in their extensive review of the evolution of service innovation research explained, how studies have involved only customers in the service innovation process. Interestingly, the other potential stakeholder groups received less attention in that review. Feedback from a company's own employees or primary customers or users is often the key driver for service development (Grönroos, 2007, Zeithaml et al., 2009). On the other hand, the open innovation concept welcomes everyone to participate in the service innovation process (Chesbrough, 2003).

Resource integration literature with different party perspective

In the interpretation of SDL, resource integration is at the top of the discussion from early on. Discussion on resource integration on **various units of analysis** is noted. On individual and firm level, all of the foundational premises highlight the resource integration point of view (Vargo and Lusch, 2004). The traditional marketing terminology still implies the firm's dominant position for value creation (Strandvik et al., 2012), but analyzing value creation and co-creation from the **customer perspective**, the literature on the SDL highlights that service ultimately must be experienced by the customer (Vargo and Lusch, 2008). Customers therefore form the primary stakeholder group.

Service research emphasizes the **customer** orientation aspect, e.g., the interaction between employees and customers not only in the co-production and co-creation of value but also in service innovation and new service development processes (Grönroos, 2007, 2011, Grönroos and Voima, 2013, Zeithaml et al., 2009). Similarly, as the customer's role in co-creation is acknowledged (Payne et al., 2008), so is also the employee's role highlighted in service development and implementation (De Jong and Vermeulen, 2003, Edvarsson et al., 2002, Gebauer and Lowman, 2008, Zeithaml et al., 2009).

Users' or customers' roles, capabilities, and involvement as co-producers, co-innovators, or new service developers are widely recognized. To name a few, Den Hertog (2000) proposed client-led and supplier-dominant patterns of innovation as first

steps to open up the closed view of service innovation to propel more parties into the discussion. Alam and Perry (2002) explored customer orientation in New Service Development (NSD) context. Alam (2002) stressed the intensity of the involvement of users and the modes of involvement. Payne et al (2008) highlight also the encounter process within the customer value-creation processes. Again, the co-creation occurs within the customer and the supplier relationship. Marasco et al (2011) leveraged **client** involvement, their prominent roles as co-innovators in service and co-producers of the service, or new service development processes to transfer the approach of customer-driven logic forward. Bessant and Maher (2009) argued that there is a need for new approaches to find the ways in which **users** can be engaged and participate more actively as co-creators within the innovation process. Ordanini and Parasuraman (2011) compared three stakeholders groups - customers, contact employees, and business partners - impact on innovation volumes and radicalness. Whereas, Brodie et al. (2011) focused especially on customer engagement conceptualizations.

The focus on one-to-one, i.e. dyadic stakeholder relations suggests that stakeholder dialogue and knowledge integration are the two capabilities that are commonly needed in sustainable innovation. Yet, this approach has neglected to capture the presence of many stakeholders. Although the need for open and external sources of insights into service innovation seems almost self-evident, very little research has been carried out on the relevance of stakeholder dialogue (Ayuso et al., 2006). Interpreting this discussion, the value creation was focused on supplier-customer relations.

Gummesson (2008) extended the discussion by stating that service is not created just by the supplier and the customer, but rather by a network of activities involving a host of stakeholders. Ramaswamy and Gouillart (2010) allow “*all stakeholders*” into the value co-creation. Zeithaml et al (2009) imply that “*some companies are even collaborating with outsiders (e.g. competitors, vendors, alliance partners)...*” yet, this is one reference only to the idea generation part of the new service development.

For Gummesson and Mele (2010) the unit of analysis is network, they (ibid.) addressed the resource integration networks perspective by discussing the actor-to-actor (A2A) interaction, i.e. linking resources within a network and the role in the co-creation of value through resource integration. Similarly, Jaakkola and Hakanen (2013) recently extended the unit of analysis to solution networks and resource integration into interaction to develop integrated solutions. They also explained interaction from the value co-creation perspective with different units of analysis, and explain, how resource integration takes place: as integration (actor level), through activity links as resource ties (relationship level), and through activity patterns as resource constellations (network level).

Sanders and Stappers (2008) discuss the role of users, professional designers and researchers in participatory design. Han (2010) and Segelström (2013) bring in the service designer profession as stakeholders into the discussion. Collaborating face-to-face with different stakeholders during service development is a worthy attempt for the

stakeholders (Ramaswamy and Guillard, 2010). Businesses may benefit from the firm's and its stakeholders' shared experiences and knowledge. Thus, this paper studies approaches to move towards multi-stakeholder integration as the contemporary resource integration perspective demands.

As reviewed by Frow and Payne (2011) and Laplume et al. (2008), the definitions, clarifications, classifications, and groupings of stakeholders in the relationship marketing literature have their merits. Kleinaltenkamp et al. (2012) worked with foundational premises and introduced yet another resource integration framework which included separate resources (operant and operand with preconditions), resource integrators (actors), and integration resources (processes, collaboration, experiencing).

This paper takes the multi-party stakeholder approach (Ramaswamy and Guillard, 2010) that assumes that a multifold, i.e. multiple stakeholder interaction represents an opportunity to bring more variety and depth into the perspectives and information shared in a service development process.

To sum up, the customer-driven perspective in service research is rich and has evolved from connected customer (singular) to collective modes, where the service-driven perspective specifically conceptualizes the service innovation process as a joint value creation with customers and other partners such as experts, users, fans, intermediaries, hobbyists, artists, designers, professionals adding the network perspective into the discussion (Russo-Spena and Mele, 2012). Yet, these other parties – or stakeholder groups - in this network are seldom described or investigated. Therefore, the knowledge on the stakeholders is scant, yet identified, and this calls for new research to understand, how to collaborate in order to create mutual value.

Locus of multi-party stakeholder collaboration and modus operandi

Heugens et al (2002) suggest that **the locus** of stakeholder integration is either the dyadic one-to-one relationship or the contractual network. Stakeholder mobilization and operationalization receive some attention (Laplume et al., 2008), yet, their implicit target of analysis is managing, i.e., controlling, the relationships and interactions. In their view, **the modus** of stakeholder integration can thus be either structural or processual. Therefore, this study has taken another viewpoint: the stakeholder integration mechanisms examined focus on enabling stakeholders to collaborate rather than controlling their relationships and activities.

The SDL viewpoint as clarified by Vargo (2008) states that to achieve value co-creation interactions between stakeholders, i.e., parties that mutually provide service to each other is required. The extant literature discusses **the locus** of multi-party stakeholder collaboration. Bitner (1992) defined *servicescape as the physical environment* and focused on the physical aspects in service encounter. Vargo (2008) extended the discussion to **value-configuration space**, where resource integrators

and beneficiaries act. Grönroos and Voima (2013) introduce the joint **value creation spheres**. Besides the separate provider and customer spheres, they also defined a joint sphere where value creators and co-creators are in direct interaction. Accordingly, it is the customer, who is in charge of value creation in the joint sphere.

Co-creation research specifically interrelated to innovation processes has resulted in the constructs of five co's, i.e., cooperative activities (co-ideation, co-evaluation, co-design, co-testing, and co-launching), during which the actors interact, collaborate, and integrate their resources through web technologies (Russo-Spena and Mele, 2012). Roser et al. (2013) define all co-creation approaches through two dimensions: the expansion of the organizational boundaries and the involvement of **co-creators**. Their study focused on crowd-sourced and non-crowd-sourced co-creation, which also expands the focus beyond the limitations of this study. Furthermore, the creation mechanisms remain undiscussed in Roser et al. (2013) study. As the locus of these studies is virtual and the modus operandi is digitalized, this paper looks for similarities in the physical realities and aims to shed some light on the mechanisms of physical co-creation, and collaboration. The integration of resources in a B2B context is thus elaborated through two case examples.

The recent reviews of the service development or service innovation literature (see Aas and Pedersen, 2010, Carlborg et al., 2013, Droege and Hildebrand, 2009) do not seem to centralize the many stakeholder groups. If any stakeholder group is specifically mentioned, it seems to be primarily the customers and secondarily the suppliers. Furthermore, there seems to be a shortage of studies integrating other stakeholder groups into the development processes. Specifically, the role of multi-party stakeholder collaboration in the development of service requires more attention. This paper addresses this gap in the literature with a focus on building a framework and thus helping to move beyond sporadic actions. Based on this literature review, there seems to be a room for leveraging the current understanding of multi-party stakeholder collaboration. Stakeholders are critical to service development and service innovation, but little evidence exists on collaboration, other than with customers. In order to fill this gap, this study was conducted and a framework developed for facilitating the integration of stakeholders into service development in a business-to-business context.

Explanations of the roles of the actors involved in service development and their interactions have increased, but despite raising the important issue of resource integration in service research, it is not yet fully explored. The literature recognizes collaborative and co-creative processes, yet, seldom discusses their managerial aspects, courses of action, or how to integrate the stakeholders. Especially, business practitioners and managers need to hear from experiences and examples that case studies can provide.

This paper examines multi-party stakeholder collaboration, i.e., participatory activities in service development in a B2B context. This paper suggests that integrating individuals from various organizations (e.g., multi-party stakeholders) into the service

development simultaneously can be beneficial to the service business. Here, direct face-to-face collaboration is sought in contrast to virtual or digital methods, as investigated by Russo-Spena and Mele (2012) and Roser et al (2013). Furthermore, this examination can be extended from a dyadic inter-firm interaction to concurrent multi-firm knowledge and capability sharing.

Research design and data collection

The investigation provides empirical evidence on **how to approach** simultaneous multi-party stakeholder collaboration. The research project, whose results are discussed in this paper, employed a qualitative approach to examine the topic. Furthermore, the research followed the action research tradition in a case study research design setting (Yin, 1984). Descriptive, explorative, and experimental research was conducted. This paper provides insights from two case companies. The empirical data was collected through multiple methods. The data was analyzed with collaborative methods together with some participants, and by the project team. Methods such as grouping, categorizations, conceptual mapping was used.

A case study approach is holistic and detailed which increases our understanding of an issue (Carson et al., 2001, Gummesson, 2000, Howell, 1994, McKay and Marshall, 2001). A case study may also apply the action research approach or vice versa. This paper applies Frost's (2001) (definition that *action research as a cyclical process of systematic reflection, inquiry, and action that is carried out by individuals in their own professional practice*). The individual conducting action research is, on the one hand, a change agent in the practical problem-solving sphere, and on the other hand, an academic researcher developing a theory (Gummesson, 2000). Thus, the researcher has two goals: to solve a practical problem within an organization, and to generate new knowledge and understanding about other organizations (McKay and Marshall, 2001).

This paper is based on an ongoing externally funded research project. The purpose of the project is to explore and develop an approach for integrating stakeholders, i.e., strategic business partners, into the service development process. The study is comparing, developing, and testing tools, practices, and methods that can be used to engage stakeholders. The project develops a framework that enables effective participatory stakeholder integration and innovative practices.

The research team consists of researchers and four master's students from two universities; namely, the Hanken School of Economics (Hanken) in Helsinki and the Laurea University of Applied Sciences (Laurea) in Espoo. The research project challenges conventional development activities and applies the co-creation approach suggested by the SDL. The project assumes that collaborative participation enables to create value (the value co-creation approach). Several questions have arisen: How do we engage B2B stakeholders in order to get them to participate? How do we motivate them to give their time and expertise to this activity? Can the individuals gather from different firms into the same sessions? The assumption of involving many

stakeholders simultaneously into the design process is of great importance in order to get multi-sided perspectives into the design process. Methods that facilitate co-creation, and thus may influence service development positively, are being examined.

Multi-party stakeholders integrated – insights from the two cases

Two cases in which stakeholders are integrated in the context of service development are presented with a cyclical, event-based way of working during the planning phase of the research project. Both of the cases are being run in two stages; currently, the first round of activities has been conducted. And the second round is on-going as the research project continues until March 2014. A variety of data collection methods were applied, including a literature review, interviews, and secondary data collection for gathering background information also included visits to the case companies, meetings with the representatives, interviews with the case representatives, review workshops with the research team, documentary analyses, and observations.

Selection of stakeholders

The criterion for stakeholder selection was set as including many stakeholder groups both internally and externally, and then the stakeholders were invited. The selection and motivation of the stakeholders was the main responsibility of the case company's representatives. The case companies and partners of the research are the large Finland-based firms Lassila & Tikanoja (L&T) and Skanska Kodit (SK) and a variety of their strategic stakeholders (see table 1). As we can depict from the table next, the stakeholder groups in both cases vary from each other. Furthermore, within a case the variation of stakeholder groups and the individual business practitioners positions are diversified.

Fig. 1: Case information

Case	Lassila& Tikanoja (L&T)	Skanska Kodit (SK)
Basics	Service company that cooperates with its customers to transform our consumer society into an efficient recycling society. L&T employs 9,000 persons. Net sales in 2012 amounted to EUR 674,0 million. Finland-based, multinational company that operates in Northern part of Europe (Finland, Latvia, Sweden) and Russia	Skanska is one of the world's leading construction groups. The combined sales for Skanska's Finnish and Estonian operations in 2011 were over EUR 1 billion and the company employed about 3,360 people as Skanska operates globally; Finland and Estonia in 2012 net sales 1 mrd€; employs ca. 2 460 employees
Industry Sector and main service	Specializes in environmental management, and property and plant support services. It is also a leading supplier of wood-based biofuels recovered fuels, and recycled raw materials. Maintenance of properties and technical systems, Cleaning and support, Sewer maintenance and renovation; Environmental construction; Process Cleaning; Bajamaja and event services. Waste management and recycling; sorting	Skanska's operations in Finland cover construction services, residential and commercial project development and public-private partnerships. In Finland, project development for (apartment) housing in Skanska is done by Skanska Kodit. BoKlok is a groundbreaking housing concept in collaboration with IKEA.
Stakeholder organizations	Parma Oy, Keslog Oy, Valio Oy, Puukeskus Oy, Scania, Ovenia Oy, Stockmann Oyj, Caternet Finland Oy, KONE Hissit Oy, ELY - Centre fo Economic Development (Public), drivers , L&T representatives from various units including outsourced (Elisa Oy)	Ikea, Vantaa City housing service, Vantaa city planning experts, Vantaa city architect, Construction element company, SK representatives from various units

The following paragraphs describe the cases shortly and analyses the current situation.

L&T represents a waste management industry. Here, the operational time cycle is from days to months rather than years. The time perspective of L&T and its stakeholder groups is peculiar: from the stakeholders' point of view, L&T is the last step in their service value chain, whereas L&T sees itself in the middle of a larger, sustainable service value chain. The service business opportunities arose within an increasing understanding of this viewpoint. And in near future it is expected that the roles of the stakeholders may change when L&T begins to purchase more waste (types) as a raw material for energy production and other purposes.

SK operates in the construction industry. The time perspective of SK and its strategic stakeholders is currently 4-6 years. City planning processes, land purchases, and the actual construction are included in the time cycle. The time-cycle of the building is not. Thus, the business interests of SK end when the buildings are finished. A special kind of building was selected to examine this dilemma e.g., BoKlok houses. If the building is considered to be a service, the time perspective is expanded for the use time of the building (value-in-use approach applied). As a consequence, another

40 years of service business opportunities arise. This requires time concept elasticity; the activities and processes change over time, and so do the services. What does this perspective demand from the service development and how the stakeholder groups can bring in insights for the longer period of time?

The location of the participating stakeholders for the research was determined in cooperation with the case firms and the research team. L&T was visited and a series of meetings were established in order to understand the value chain and the challenges the case company is facing. Several key stakeholders within L&T (sales people and environmental specialists) were interviewed in order to get an extensive in-house perspective. These representatives also participated in the collaboration workshop. The L&T project representative contacted their B2B partners in various industries and motivated them to participate. Altogether, six organizations joined the research in the first round (workshop).

Similarly, the SK stakeholder selection started with a meeting with SK representatives. At the same time, the research team was also introduced to the housing construction industry, the housing service concept in question, and the other activities that the company is currently taking with their stakeholders. Altogether, six stakeholder groups were identified. The SK representatives also participated in the workshop. The following section provides more detailed information about the cases and participating stakeholder organizations and individuals.

Case company L&T. The improvement of waste management service is the focus of the case study. Specifically, the sorting of waste for improved recycling potential in the partner organization's facilities is the starting point. From L&T's point of view, the main objective is to reduce the chlorine content of the energy waste at the origin of the waste by controlling both the quality of the waste and the quality of the sorting. For L&T, the main challenge is in how to motivate their partners to sort waste according to the sorting instructions and what other parties may be involved. For a nation-wide service provider it is disruptive that the sorting instructions vary from one city to another. After the waste is collected, it is transported through transfer stations or directly to the main processing center, and then processed at L&T's Kerava recycling park. This includes a quick visual quality control of the received waste while after collection of the waste it is not easy to determine the origin of the waste.

The stakeholder organizations in the L&T case included first **Parma Oy, Keslog Oy, Valio Oy, Puukeskus Oy, and Scania Suomi Oy, and later also Ovenia Oy, Stockmann Oyj, Caternet Finland Oy, and KONE Hissit Oy.** Furthermore, the Centre for Economic Development, Transport and the Environment (**ELY**) in Finland, an organization responsible of the sorting instructions participated. ELY Centres monitor the state of the environment and any changes within it. As ELY represents the government and the regulatory body, their work entails statutory environmental protection duties and they supervise decisions on environmental and water permits. The duties of the stakeholders included environmental, quality, logistics, sales, key account, development, safety, and sustainability. **L&T personnel** as internal

stakeholders included L&T representatives from various units including outsourced (Elisa Oy) and the truck drivers. The duties included waste management experts, environmental specialists, IT development specialists, project managers, and customer service professionals.

Case company SK. SK is division of Skanska Corporation in Finland and its activities cover construction services, residential and commercial project development, and public-private partnerships. SK is re-introducing a housing concept called BoKlok, which they wanted to be the focus of the research. The BoKlok Concept (see more details at <http://www.boklok.com/> and <http://kodit.skanska.fi/boklok/>) is owned jointly by Skanska and **IKEA** through the 50-50 joint venture BoKlok AB, which continuously develops the concept and holds all property rights. BoKlok is a groundbreaking concept of building housing that involves providing space-saving, functional, and high quality individually owned houses at a price that is affordable for worker's salary. Skanska has built these concept houses in Sweden and Finland. Here, the focus is on Finnish experiences. The first introduction of BoKlok houses in Finland was in 2006 and the latest houses were built in 2013. However, the interviews conducted in this study revealed that the current owners of the BoKlok houses (built in 2006) in Finland were not at all knowledgeable that it is a specific housing concept. Since, the majority of the original owners have moved out and new owners have moved in, the concept was not known by the current owners. And it was not considered as a service.

The stakeholder organizations in the SK case included the **Vantaa city municipal** representatives responsible for housing services in the city of Vantaa, the **Vantaa city planning experts** and **architects, construction element builders, IKEA representatives** alongside the **SK personnel** from various units. Surprisingly, the actual owners and/or the potential residents of the houses (users and customers) did not participate the studied workshop. However, they were represented through the resident stories collected by the master's students.

Examination of the multi-stakeholder integration workshops

Neither of these case companies had previously conducted direct concurrent stakeholder activities. In both cases, the stakeholders (individuals) did not know each other and all the previous activities between the focal company and the stakeholder companies were bilateral only i.e. dyadic relationships. Thus, the understanding of the complex service system for both internal and external stakeholders' was one-sided and narrow. A holistic view was missing. Each stakeholder participated with pre-defined mode and predefined objectives.

The experiences from multi-party stakeholder collaboration in service development workshops were positive. Through the integration of individuals and collaboration activities carried out, the complex service concepts were not only understood more deeply and widely but also further developed. The multilateral workshop for the representatives also quickly demonstrated the collective power in identifying challenges, i.e., development areas.

L&T. Based on the conducted **interviews** before the workshop with the L&T employees and the stakeholder firms in order to understand their unique needs in waste management services and especially in the sorting of waste, the team selected collaboration methods. The interviews lasted about an hour, and were taped and transcribed. The research team prepared a process flow description, service value chain descriptions, blueprints of the service, a stakeholder map, quotes and insights from the interviews, and **CoCo tree** visualizations of current state. The analysis of the interviews also resulted in “**bites of reality statements**,” which were later used in the workshop. The study tested a new **CoCo methodology** (Keränen and Ojasalo, 2011, Ojasalo and Keränen, 2011). The research project added a fourth category of service innovation to the tool. This collected data was also used for the selection of further participatory methods. These included the **CoCo Cosmos Game** and the so-called **8-by-8 method**, which was used in a novel and more participatory way.

Within the half-day workshop, the participants from the stakeholder organizations were divided into groups consisting of stakeholders (customers), L&T representatives, and facilitators (the research team members). The participants were led through a series of structured activities. First, discussed were the stakeholder firm’s annual waste management reports. Second, a key operator of the service, e.g., the truck driver, told his experiences with the waste management service (the storytelling method). The stories were from both sectors—household and industrial waste management—and from the everyday life of the driver. These stories offered insights into the challenges faced by the operator, what makes his life easier, and what kinds of interactions he has with both parties, people, and places around the service. The 8-by-8 method exercise was conducted next. This task required the people in each group to organize issues, ideas, concepts, functions, or matters on the template of an 8-by-8 canvas on the wall. This task required people to first write their concerns on Post-it notes and then organize the Post-it notes spatially, with the help of 8x8-template. The issues revealed their expectations and priorities about the service in question. The second exercise was to play the CoCo Cosmos game. Roundtable discussions were carried out throughout the workshop. The workshop ended with sharing the participants’ experiences of the workshop, its methods, and the created shared understanding. Four additional service development activities were selected from the numerous ideas.

The second half a day workshop started with short stories that were collected from the participants. Then the driver introduced the waste management truck with special focus on the IT systems available. Contextual discussion was extended to services and improvement of digital services that are also needed to support the waste management service. Participatory methods chosen for the 2nd workshop included brainwriting individually and in groups, and sharing the ideas within the group, the canvas technique.

SK. The research team conducted a series of interviews with the SK staff members in order to understand their unique needs in terms of the construction

business and especially the re-introduced housing concept. The failures of the original introduction of the concept were discussed. The Laurea master's students conducted a series of interviews with the current residents of the housing. The interviews were taped, transcribed, and analyzed. Profiles of the residents were created. Short stories were provided to workshop. Within the half-day workshop, the participants started working with the short resident stories that represented the end-customer's perspective. The methodology of "Idea notes", in which one stakeholder starts with his/her own ideas and then continues with other participant's ideas, was used. This was followed by the "InnoWalk" method, in which the development ideas were first identified and the passed on to another stakeholder for further development. The imagined future method and group discussions were conducted next, and the workshop ended with the participants' sharing their experiences of the workshop, the methods used, and the roundtable discussion of the development ideas.

Preliminary Results

The study shows that stakeholder groups can be more closely integrated into the service development. However, the collaboration of the stakeholders in a B2B context is typically based on a dyadic relationship, and here experienced multi-stakeholder collaboration remains a challenge. This paper illustrated in detail the examples of how integration opportunities have been introduced, the experiences, and how integration was set-up. This paper examined how collaboration across a variety of actors improved the service development, and tested the methods and tools used that can be used to integrate resources for mutual benefit.

In this study, both the firm's and its stakeholder organizations' representatives developed service simultaneously through collaborative methods. The preliminary research results indicate and the experiences suggest that **concurrent and direct multi-party stakeholder collaboration** in service development is positive input for innovation, and as such has a place in the selection of stakeholder integration strategies (Ramaswamy and Guillard, 2010) alongside with the more technically enhanced web solutions (Russo-Spena and Mele, 2012). The experimental evidence supports the use of direct interaction, participatory methods, and workshop methods.

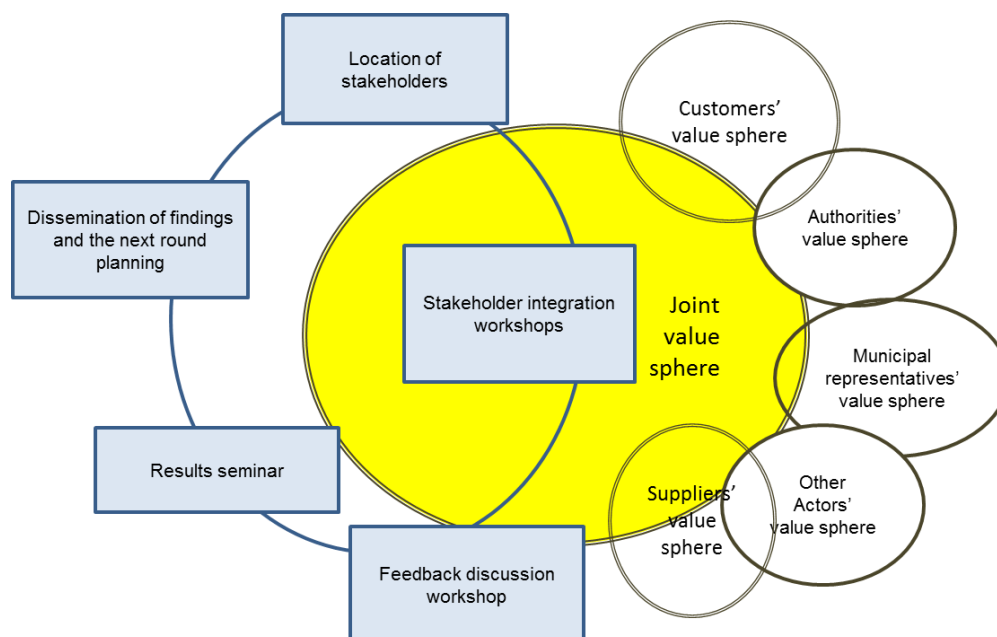
In both cases, the stakeholders (individuals) did not know each other and all the previous activities between the focal company and the stakeholder company were dyadic, i.e., bilateral only. Thus, the understanding of the complex service system and the service needs, were limited. The dyadic roles and activities were common in the stakeholder management process carried out in both case companies. Through the integration of individuals in various firms and expertise areas, and through live collaboration, the service was not only understood more deeply but also further developed. Also, the collective power in identifying service development areas was quickly demonstrated in both cases. During the study, a strong collaboration and expertise sharing between the actors was observed. The strategic stakeholder integration develops service and improves the value-in-use of the service for all parties

involved. The ongoing dialogue between the company and its stakeholders may also further strengthen business cooperation in general.

Based on the insights gathered in the study, integrative co-creative workshops are suggested as a means to approach live multi-stakeholder collaboration. The output of the participatory workshop included: first, a great number of ideas for improvements; and second, a thematic analysis of the ideas, discussions, shared understanding, and shared experiences. Furthermore, the findings indicate that the service ‘value-in-use’ is important. This is because the time span of the service, the difficulty of pointing to the origin of the raw material (e.g., waste), the quality management complexities throughout the process, and the sourcing and procurement activities within the customer processes, to name a few. Likewise, the service business opportunities of the construction partner throughout the life cycle of a house were noted. The idea of considering the house as a service emerged during the workshops. This in turn, identified opportunities for further service business.

Figure 2 depicts the framework for approaching multi-party stakeholder collaboration. It is based on the idea of a joint value sphere by Grönroos and Voima (2013). Accordingly, in the joint value sphere, the roles of the customer and supplier are twofold: as a co-producer of resources and processes with the firm, and as a value creator jointly with the firm. Based on the findings of this research, the joint value sphere is built with multi-party stakeholders, while the service innovation and development processes may include several different stakeholder groups. Hence, this paper suggests an expansion on the original value creation sphere concept.

Fig. 2: Multi-party stakeholder approach framework



The two main problems found with customer interactions, the identification of the appropriate individuals and the lack of cooperation and commitment of customers (Alam, 2002, Ramaswamy and Gouillart, 2010), was partly supported in this research. To solve the problem of identifying or locating the appropriate individuals, the research team encouraged the main point of contact in the focal firm to identify the organizations and individuals. Strong support was given to diversity of the selection of the individuals from both a variety of hierarchical levels and expertise areas. However, the lack of commitment seems to be more related to time issues and the scheduling of the activities rather than a lack of commitment to the topic. Similarly, the other challenges of collective action noted by King (2008), i.e., not sharing a common focus or target for the activity and no guarantee of success, was kept in mind throughout the study. As a result and the suggestion for the solution to the “no common focus” challenge, is to have the focus identified by first the participants, not by the focal firm or the managers. Measuring success is always a challenge, and can only be estimated from the outputs and actions over time.

Due to the complexity of service systems, this paper also suggests extending the stakeholder group location and selection to include other service system related parties. The cases examined in this paper demonstrate successful stakeholder collaboration. This research has identified several methods that can be used in direct live concurrent stakeholder integration methods to improve services.

Discussion

This paper moves the contemporary discussion of resource integration from a theoretical construct discussion to the application of constructs to real cases. The service literature recognizes collaborative and co-creative processes, yet, seldom discusses the managerial aspects, courses of action, or how to work together in joint activities. Little evidence is provided in the literature about how a variety of stakeholders can be integrated and what practices can be found in collaboration during the service development. Stakeholders can bring their experiences, needs, and wishes into discussion at the same time, and the broader view on service can be taken into account when developing the service. Furthermore, the stakeholders bring their knowledge, skills, and competences i.e. operant resources into the action.

The study highlights the need for multi-party direct interaction situations in order to integrate multi-party stakeholders in service development. The workshop facilitation is needed. The ways in which a firm can improve their multi-party stakeholder collaboration and benefit from integrating wider range of knowledge, skills and competencies of the stakeholders in service development require further investigation.

This research has helped us to gain an understanding of multi-party stakeholder integration, and thus created a unique opportunity to share practical experience and knowledge transferring the sporadic actions toward integrated dynamic actions. Stakeholders share similar challenges with the service that can be solved in more integrated approach.

This two-case based study of multi-party stakeholder collaboration in service development shows that resource integration in various levels works. The cases examined demonstrate successful stakeholder collaboration conducted in workshops. Integrating these stakeholders into the service development process provides service benefits, new insights, and buy-in from all stakeholders, which is important during initial and continuing activities. Hence, moving stakeholder management from sporadic actions towards a collaborative approach is supported.

This study contributes to our understanding of multi-party stakeholder collaboration in developing service in a business-to-business context. Integrating stakeholders or various stakeholder groups—beyond the customers—such as suppliers, sub-contractors, state or municipal officials, experts, and other professional groups, can bring their expertise into the service business development.

The direct stakeholder interaction represents an opportunity to bring more perspectives into the service development process. The theoretical basis supports this approach. In particular, the Nordic School of Service Research emphasizes the value co-creation aspect, interaction, and relationships in which the co-designing, co-producing, and co-creation of value are important. This paper offers a pragmatic approach to stakeholder collaboration.

Originality/value – This paper attempts to increase the understanding of resource integration, specifically in a multi-party (multi-actor) context. To our knowledge, only a few papers have reported on service innovation through direct multi-party stakeholder integration. This paper is built upon experiences from a number of company contexts and uses a number of innovative collaboration methods. The framework is developed to suit and guide activities in service development. It aims to integrate stakeholders on a continuous basis. For academics, this paper provides advancements in integrative engagement approaches in developing service.

Research implications – This research contributes to the contemporary service marketing and management research. It also contributes to the value co-creation and resource integration discourses. The experiences of collaborative methods and their application to the specific context can be valuable for researchers and business practitioners. Similarly, the proposed framework provides a platform for considering, how service in a B2B context can be developed in live collaboration. Limited to two cases and an event-based approach, this study excludes the generalizability of the results. Future research may focus on integrating new innovative methods based on the proposed framework approach. The analysis shown in this paper provides a foundation for further development. This paper advances the approach of balanced centricity by focusing on the collaborative development process of multi-party stakeholders.

Practical implications – Theoretically grounded constructs have been applied in real, live settings. The case examples help in understanding abstract constructs and

make it easier to develop service business. Rich insights provide encourage on innovative approaches. The practitioners will understand the power of multi-party stakeholder interaction. They will learn new ways to engage many stakeholders in service development. Service innovation through strategic stakeholder integration can develop new ideas for all parties involved. And as such, the continuation of these activities is strongly suggested. Interactions and ongoing dialogues between a company and its stakeholders may also strengthen business cooperation in general. The framework provides guidelines to follow.

To conclude, firms can develop their multi-party stakeholder collaboration activities further and move away from dyadic relationships that occur at different times in order to extract greater value from the relationships with a variety of stakeholders. The authors encourage further empirical studies to test the proposed framework and also validate the preliminary findings of this study

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