

## **Co-creation in inter-organizational environments**

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Traditionally, inter-organizational relationships have been focused on co-production strategies in supply chains and other organizational networks. Such perspective shaped and constrained research and practice on these relationships namely in management control, strategic and operations management, product development and innovation, logistics and industrial engineering among other fields. Nevertheless, in modern competitive networks more than co-production strategies, buyers and suppliers jointly develop products and services, optimize processes and create conditions for new business models, i.e. jointly innovate or co-create. Co-creation strategies have been substituting the simple and rigid production linkages which characterized old buyer-suppliers relationships.

Co-creation improves networks competitiveness but also puts new challenges to practitioners and academics. The process of value creation has been shifting from the traditional firm-centric perspective. Value is now co-created from the interaction between much more informed, networked, empowered and active buyers and suppliers, including consumers (i.e. end-user buyers). This change has been occurring because organizations have been pushed to be market-driven and due to the transfer of technology and product design capabilities to suppliers. Nowadays, firms are not just sharing the production chain; they are sharing the value creation process with all network elements from first tier suppliers to consumers.

The literature presents several types of inter-organizational relationships namely networks, consortia, alliances, trade associations, interlocking directorates and joint ventures. This research project is focused on two types of networks where co-creation has particular conditions to emerge: 1) buyer-supplier relationships in new product development (NPD) and 2) buyer-supplier relationships in retail and modern distribution supply chains.

Often, buyer-supplier initiatives begin with joint efforts to reduce costs through collaborative strategies. In fact, organizations must not only consider their internal activities to manage and reduce costs, but also their relationships with business partners. Thus, a starting point of this study will be analysis of management control practices, particularly cost management practices, in these two types of inter-organizational relationships. Effective management of costs that cross organizational boundaries have the potential to improve the overall performance of each organization affected as well as the entire network. In these environments of co-production and co-creation (e.g. the design of a new product) cost management and cost consciousness arises naturally. However, the integration of buyers and suppliers' cost management practices is a very recent topic in researchers' agenda even if Japanese companies have been expanding their cost control strategies to their suppliers since the middle of the 1990s. Inter-organizational cost management (IOCM) in the assembling industry and supply chain cost management in the retail industry will be two building blocks in this research project. Innovation management in these two types of co-creation networks and the economics of such inter-organizational relationships will be the other two building blocks.

From a theoretical point of view, some approaches are particularly suitable to explain inter-organizational relationships, namely transaction costs economics and new institutional sociology. On the other hand, methodologically, case studies and surveys will be important

methods to gather empirical evidence on these phenomena. The object of study and theoretical and methodological challenges ask for a multidisciplinary and well coordinated research team. In this project, all researchers belong to the same research centre and they have and share academic background and research experience in management control, innovation management, new product development, economics and economic project evaluation.

This research project is devoted to the study of co-creation in inter-organizational environments and a main objective and result will be the launch of the CoCreationLAB for the study of co-production and co-creation in these environments and related innovation in processes, products, services and businesses models. The CoCreationLAB will be materialized through a website, two annual colloquia and summer schools, academic publications and toolboxes for the industry. The CoCreationLAB will be a dissemination and communication platform for advanced research and industry partnership in this research field.