DESIGNING BUSINESS MODELS FOR VALUE CO-CREATION IN EMERGING MARKETS:

A CASE STUDY OF INDIGENOUS FIRMS IN VIETNAM

A thesis submitted in fulfilment of the Master of Research

by

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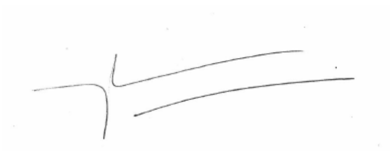
Abstract

Firms gain competitive advantage by engaging customers and value network partners in co-creation activities. Business models that integrate value co-creation in a network are recognized as an essential prerequisite for any firm to develop a competitive advantage. However, there has been scant attention given to business models designed for value co-creation in emerging markets.

This research adopts a qualitative case study of two firms in the agricultural sector in Vietnam. The findings reveal that a firm can develop a competitive advantage in emerging markets by achieving internal and external configurational fit in the design of business models for value co-creation. The fit is addressed by the developing human relations across the dimensions of 'employee' and 'partners'. Human relations, driven by the integration of a family-like culture, are fundamental for a firm to engage customers and its partners in the value co-creation process in emerging markets. Employee dimensions enable internal configurational fit between all business model elements. Partner dimension enables the external configurational fit between the firm' and its partners' business model. This study contributes theoretically to the literature on value co-creation and business models by providing an extension of the business model framework designed for value co-creation in a network in the context of emerging markets.

Statement of Originality

This work has not previously been submitted for a degree or diploma in any university. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.



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CHAPTER ONE

INTRODUCTION

1.1 Background to the research

Since Prahalad and Ramaswamy (2004c) discuss the concept of value co-creation and Vargo and Lusch (2004) introduce the Service-Dominant logic, there has been increasing interest in understanding the "*changing nature of engagement and relationship between the institution of management and its employees, and between them and co-creators of value - customers, stakeholders, partners and other employees*" (Ramaswamy 2009, p. 33). Gummerus (2013) suggests that value is co-created in the resource integration process and assessed in use as the outcome of interaction for resource integration in a network of actors. This is further explained by Ballantyne and Varey (2006), Grönroos (2006), and Lusch et al. (2010) who argue that value creation has a collaborative and interactional nature and value is determined by customers as value-in-use, no longer value-in-exchange embedded in firm offering. Vargo and Lusch (2011) and Mele et al. (2010) postulate that interaction enables actors to access, integrate, and mobilize knowledge, skills and resources of other actors to achieve higher value co-creation, hence, better competitive advantages. As all actors are involved in the resource integration process under the roles of resource integrators and value co-creators (Vargo & Lusch 2008), value creation happens in a context of networked systems of social and economic actors.

Mele and Polese (2011) indicate that Service-Dominant logic implies new processes of value creation, modern business interactions, new forms of integration of resources, of which the resources and capabilities to create value are no longer within a firm's boundaries (Vargo et al. 2004; Vargo & Lusch 2008). As firms work together with customers, partners, and other actors across organizational boundaries (Edvardsson et al. 2011), the organizational boundaries become increasing blurred and permeable (Gummesson & Mele 2010; Payne et al. 2008).

To engage customers and other actors in purposeful co-creation, firms need business models to depict and manage value co-creation (Storbacka et al. 2012). While the traditional business model is based on a hierarchical system and competition (Michel et al. 2008; Normann 2001), the boundary-spanning business model addresses multiple interactions, and multidirectional resource integration for value creation (Zott & Amit 2008). It describes the organizational structure for possibly interlinked boundary-spanning transactions and identifies the connection with the markets, the suitable parties in the network, the resources and capabilities to deploy and integrate, and the mechanism and incentives to manage the interaction between parties (Zott et al. 2008). Co-creation offers firms and their network of actors significant opportunities to unlock new sources of competitive advantage (Prahalad & Ramaswamy 2004a). Therefore, business models that integrate customer value co-creation are recognized as an essential prerequisite for any firm to develop a competitive advantage.

Emerging markets lead global economic growth (Dobbs et al. 2017; PwC 2017). They are projected to account for 65% of global growth within the next five years and achieve twice the absolute growth in GDP as compared to developed markets by 2021 (PwC 2017). Despite the fact that emerging markets offer significant opportunities for businesses, their market conditions bring significantly formidable challenges for firms to operate in these markets which have been defined as the liabilities of origin (Pant & Ramachandran 2010). These challenges are described as socio-political governance, market heterogeneity, inadequate infrastructure, chronic shortage of resources, and unbranded competition (Sheth 2011), along with the prevalence of clientelistic exchange, informal institutional flux, and channels of distribution challenges (Cuervo-Cazurra 2006; Wright et al. 2005). Therefore, scholars have been calling for an urgent need to develop studies to explain business models in emerging markets (Eyring et al. 2011; Peng et al. 2008; Sartor & Beamish 2014).

Accordingly, this research represents a response to the call for the need to develop studies to understand business models and value co-creation in emerging markets (Lusch & Vargo 2014; Peng et al. 2008; Sartor et al. 2014). It aims to understand how the different elements of a business model for value co-creation may change to adapt to emerging markets by addressing the following research questions:

Research question 1:

> How does a firm engage customers and its partners in a value co-creation process in emerging markets?

Research question 2:

> How do the different elements of a business model, designed for value co-creation, change in emerging markets?

1.2 Justification for research

Li et al. (2010) have argued that firms in emerging markets typically do not own resources or capabilities to engage in innovation activities for maximum exploitation of the business potential of their core assets, or tap into the entire market available. Firms gain competitive advantage by engaging customers and value network partners in co-creation activities. Therefore, network interaction and engagement enable firms in emerging markets to synthesize their acquired resources by accessing and integrating resources, capabilities, or other assets that they cannot easily attain on their own. Thus, firms are able to generate innovative and develop superior value propositions in unfamiliar or rapidly evolving environments (Kogut & Zander 1992). However, Dahan et al. (2010) have argued that the unique institutional conditions and environment of emerging markets prevent simply importing existing developed market business models. Narver and Slater (1990) point out that research on business models is based on the assumption of established market structures, known customer preferences, and existing competitors. However, in emerging markets, market norms, rules, and boundaries are uncertain (Holloway & Sebastiao 2010). The existing business model studies "*have missed a critical element of business model development – the stages prior to the establishment of clearly and widely understood market* *norms, rules, and boundaries*" (Holloway et al. 2010, p. 88) to apply to emerging markets. The dominance of Western models in replacing local knowledge systems is critical as the transmitted model could not accommodate the cultural, economic, institutional, geographic, and other features of these markets (Jack & Westwood 2009).

This research focuses on fostering an understanding regarding the evolution from value created and distributed by the manufacturing firm, to value co-created in a network within a different context. As such, the research attempts to respond to a gap in the empirical research on business models (Birkin et al. 2009; Schaltegger et al. 2011) by empirically contextualizing the framework of business models for value co-creation in emerging markets, and demonstrating how it works in practice. It also contributes to the literature of value co-creation by developing a framework for organizations to manage co-creation in emerging markets. Thus addressing the research gap identified by Peng et al. (2008), Lusch et al. (2014), and Sartor et al. (2014) to understand business models and value co-creation in emerging markets. It also enriches the understandings of designing business models for value co-creation that is still in an emergent stage (Frow et al. 2015).

Findings from this study will make an important theoretical and practical contribution by clarifying the different elements of a business model designed for value co-creation change in emerging markets. The theoretical contribution will incorporate the emerging market context into future definitions and studies of business model development in general, and business model development for co-creative activities, which will have practical application by managers to develop an appropriate framework within which to design business models that engage co-creation in emerging markets.

1.3 Methodology

To achieve the exploratory nature of the research question, the research method must be one that allows for both investigation of the topic and theory building. This objective makes qualitative analysis highly attractive as a research tool as it seeks to explain "*how*" and "*why*" questions (Yin 2013a). The complex nature of this study suggest that when a study's aim is to gain insights, to provide a better understanding of specific factors as well as to describe a phenomena, a qualitative approach is appropriate (Stake 2013; Yin 2013a).

To permit a detailed investigation of the research problem, the specific genre of qualitative research to be used is the multiple case study approach (Yin 2013a). The study will comprise two case studies from the agricultural sector in Vietnam. The study of each firm case will involve semi-structured interviews with those people who hold senior positions, such as, Chief Executive Officer, or general and senior managers. Multiple secondary sources of information will also be utilized to ensure a triangulation of data collection for a well-rounded analysis (Yin 2013a).

1.4 Thesis Outline

This chapter has established the foundation of the thesis and provided a background to the study. It discusses the research questions, the justification for the study and the adopted methodology to conduct this study. Chapter 2 introduces the framework on which the study is based by reviewing the literature on value co-creation, business models, and relevant literatures that influences the effective of value co-creation business models including configuration and organizational culture. This chapter also highlights research problems in the current literature. Chapter 3 of methodology is then presented, outlining the adopted qualitative methodology to conduct this study. Chapter 4 is followed by the key findings demonstrated via detailed firm analysis. Chapter 5 is structured according to the significance and relevance of data to answer the research questions. The final chapter discusses the contribution made by the study in relation to the value co-creation and business models theory literature and goes on to present conclusions, suggestions for further research, and limitations.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This chapter begins by reviewing the service-dominant logic literature and evaluating the framework for value co-creation business models, and the applied configuration theory within the framework. Subsequently, internal collaboration and the organizational culture that influences internal collaboration is discussed, followed by a focus on the research problems.

2.2. Value Co-Creation

Vargo et al. (2004); Vargo and Lusch (2008) introduce Service-Dominant logic, which suggests that goods are the distribution mechanism for service provision, that is, the knowledge-laden interactions between buyer and supplier. The authors also pose that in a Service-Dominant logic view, value for the customer emerges in the customers' sphere in their value-generating processes as value-in-use. This view is supported by Grönroos (2006). Service-Dominant logic is contrasted with the traditional marketing logic termed Goods-Dominant logic (Vargo et al. 2004). Vargo et al. (2004); Vargo and Lusch (2008) argue that, under Goods-Dominant logic, value is added through industrial processes, embedded in goods, distributed, and then realized in exchange in a transactional manner. In other words, value for the customer is the value-in-exchange embedded in products that are the outputs of firms' manufacturing processes.

Goods-Dominant logic postulates that value is circumscribed to the consumption of units of output, and value is destroyed in the consumption process by customers (Vargo et al. 2004). In contrast, Service-Dominant logic suggests that value experience could be co-created in the interaction among the actors that participate in the process (Vargo et al. 2004; Vargo & Lusch

2008, 2016)—described as systems, constellations or networks of resources (Normann 2001; Vargo & Lusch 2008; Vargo et al. 2011) to produce a holistic experience (Payne et al. 2008). Value-in-use may be created prior, during and after the purchase (Heinonen et al. 2010). Therefore, "*value resides not in the object of consumption, but in the experience of consumption*" (Frow & Payne 2007, p. 91). It implies that value co-creation is the outcome of direct and indirect interactions among focal firms, suppliers, customers, and third parties within ecosystems, such as service systems (Spohrer et al. 2007). As such, value co-creation has become a key approach to facilitate positive customer experience, and long-lasting relationships (Ballantyne et al. 2006; Frow et al. 2007; Prahalad & Ramaswamy 2004b).

According to Service-Dominant logic, production and value creation are inseparable processes. This logic stresses that value is not created by the firm but rather takes place through mutually beneficial interactions among actors within business ecosystems (Vargo & Lusch 2008; Vargo et al. 2016). Prahalad and Ramaswamy (2000) highlight the transformational role of the customers from "*passive audiences*" to *"active players*" in this value creation process. Further—highlighted under Service-Dominant logic—the active role of customers in all value co-creation processes is recognized as the key contributor to the development of service offerings and the creation of the value experience, and the ultimate perception of value based on the interaction (Vargo et al. 2011). The Service-Dominant logic also sees the shifting role of firms from producing and distributing value to proposing value propositions for customers (Grönroos 2006; Vargo et al. 2004; Vargo & Lusch 2008) as *"actors cannot deliver value but can participate in the creation and offering of value propositions"* (Vargo et al. 2016, p. 8).

Lusch et al. (2010) define service as the ongoing combination of resources, through integration, and their application. The authors suggest that all social and economic actors are resource integrators who co-create value in markets as networked systems. Hence, it emphasizes the principle that all actors in value co-creation process are resource integrators (Vargo & Lusch 2008). It also implies that the creation of value rests on social context gaining from an interconnected relationship.

The changing roles of customers and firms in the process of value creation suggest that value co-creation among the partners of collaboration takes place in networked systems of economic actors. Value creation requires an ecosystem approach, as value is always co-created by actors within networked ecosystems (Vargo & Lusch 2008). Frow and Payne (2011) state that the value co-creation process engages cross-sector collaborations between the firm, customers, and the firm's network partners. Therefore, the success of this process relies on the integration of resources, and the interconnected relationship within a value network (Vargo et al. 2004; Vargo & Lusch 2008).

Mele et al. (2011) indicate that Service-Dominant logic implies new processes of value creation, modern business interactions, and new forms of integration of resources whereby, the resources and capabilities to create value are no longer within a firm's boundaries (Vargo et al. 2004; Vargo & Lusch 2008). This increasingly blurs the traditional boundaries of a firm (Nenonen & Storbacka 2010). Therefore, Payne et al. (2008) observe the need to design a specific exchange and interaction process to integrate all resources to respond to this change—via frameworks for firms to manage value co-creation in a network. Kohtamäki and Rajala (2016) also emphasize the necessity for greater understanding of the design of business models—at an ecosystem level—for value co-creation that business ecosystems enable. Subsequently, it requires firms to transform the traditional business model based on a hierarchical system and competition, to a new business model designed for multiple interactions, and multidirectional resource integration for value creation (Michel et al. 2008; Normann 2001).

2.3. Business model

The increasing prevalence of the internet during the 1990s and 2000s (Amit & Zott 2001), and the expanding industries and organizations dependent on post-industrial technologies (Spicer & Perkmann 2010) lead to the emergence of business models as a source of competitive advantage (Timmers 1998), and a factor contributing to enterprise success (Baden-Fuller et al. 2010). Business models are a useful alternative for enterprise and industry analysis (McGrath 2010); a concept, a tool or a framework to describe an economic activity (Teece 2007). Hence, the notion of business models has been increasingly discussed within the industry, and the research community (Amit et al. 2001; Chesbrough & Rosenbloom 2002; Porter 2001; Shafer et al. 2005; Teece 2010; Timmers 1998). However, research has focused on different streams of organizational and management disciplines such as e-business, strategy, innovation, and technology management (George, G & Bock 2011; Zott et al. 2011). The result, therefore, is that there is still no commonly agreed definition of a business model. Business model research embraces very different perspectives, such as exemplified in the Zott et al. (2011) review, that position the business model revolving around four key themes:

i. A business model is the new unit of analysis in addition to the product, firm, industry, or network levels; it is centered on a focal organization, but its boundaries are wider than those of the organization;

ii. Business models emphasize a system-level and holistic approach towards explaining how firms do business;

iii. Organizational activities play an important role in various conceptualizations of business models that have been proposed; and

iv. Business models seek to explain both value creation and value capture.

Nenonen et al. (2010) review and identify the similarities of business model definitions from different research. They include: (i) the customer's value creation as the core element; (ii) earning logics; (iii) value network; (iii) resources and capabilities; and (iv) strategic decisions, choices, or principles. Based on this, business model is defined as the "*constellation of interrelated designed elements, outlining the design principles, resources and capabilities related to markets, offerings, operations and organization*" (Storbacka et al. 2012, p. 55) As value creation in a network is at the center of this definition, the authors address the lack of value co-creation aspects in business model definitions (Zolnowski et al. 2013). However, to date, there appears to have been no further refinement or enhancement of a definition which considers value co-creation in business model design. As such, the above definition by Storbacka et al. (2012) is used as the basis for this case study.

Responding to the call for research on tools, processes, and practice for resource integration to co-create value (Edvardsson et al. 2014; Kleinaltenkamp et al. 2012; Korkman et al. 2010; McColl-Kennedy et al. 2012), Frow et al. (2015) suggest that business model design is strongly associated with organizations' abilities to identify, and manage new opportunities for value creation in a networked business. However, most business model constructs have not featured Service-Dominant logic (Frow et al. 2015) until the studies of Dahan et al. (2010), Nenonen et al. (2010), followed by Storbacka et al. (2012), Ng et al. (2013), Maglio and Spohrer (2013), and Caridà et al. (2017). While Maglio et al. (2013) position business model development on the value-proposition design, Nenonen et al. (2010) and Storbacka et al. (2012) focus on developing a model that enables value co-creation in a networked environment consisting of the firm, its customers, and network partners. Three components: (i) design principles; (ii) resources; and (iii) capabilities are the principles of the model. Resources can be optimally integrated in the value co-creation processes when the design principles direct the organizational capabilities accordingly. The above components are then classified by four dimensions: market, offering, operations, and organization. This model has evolved from previous research (Baldwin & Clark 2000; Nenonen et al. 2010; Payne et al. 2008; Storbacka & Nenonen 2011). The authors also specify that a co-creative business model enables the focal firm to engage in practices that influence how that firm relates to other partners in the network (see Figure 1).

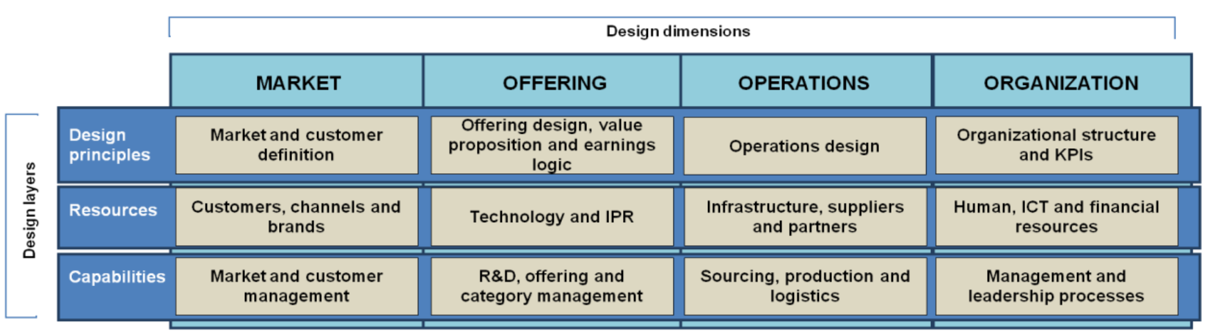

Figure 1: A Framework for Business Model Design (Storbacka et al. 2012)

The research literature has indicated an urgent need to develop studies to explain business models in emerging markets (Peng et al. 2008; Sartor et al. 2014). Karnani (2011) indicates firms fail—or are unable to achieve profitability in emerging markets—due to the organizations' inability to respond accordingly to issues of inadequate infrastructure, chronic shortage of resources, and/or under-utilization of resources; unbranded competition, market heterogeneity (Sheth 2011), channel of distribution challenges (Samiee 1993), clientelism, and prevalence of informal institutions (Bustikova & Corduneanu-Huci 2011; Kitschelt & Wilkinson 2007). Simanis and Hart (2008) show that successful organizations in emerging markets have embraced local market differences, and explored the co-creative opportunities with local partners to access, and integrate resources with their partners. With the importance of emerging markets as a driver for the global economy, it is necessary to understand the business models that enable organizations to integrate resources with partners to address the whole ecosystem surrounding their offerings.

2.4. Configuration theory

Storbacka et al. (2012) adopt configuration theory to explain how the framework works effectively. Configuration research starts in the early 1970s under different names including modes (Mintzberg 1973), archetypes (Miller & Friesen 1978), typologies (Miles et al. 1978), generic strategies and strategic groups (Porter 2001); and gestalts (Miller 1981). Meyer et al. (1993, p. 1175) define a configuration as "*any multidimensional constellation of conceptually distinct characteristics that commonly occur together*". The theory adopts a holistic view of an organization and suggested it should be considered as an organizational whole rather than variable-by-variable (Miller 1996). Highlighting the complexity of an organization, the theory structures an organization into four imperatives of environment (including technology), organizational structure, leadership (personality of the CEO), and strategy (Miller 1987). It further breaks down the imperatives into sets of varieties which mutually influence each other (Miller 1987). Meyer et al. (1993) indicate that any multidimensional constellation of design elements generally happens together because when they are interdependent, they systematically cluster around each other.

Pels et al. (2012) posit that configuration is built upon concepts of enactment strategic choice (Child 1972), and enactment (Weick 1969). These two concepts underpin the role of strategic choice in an organization's environment, structure, and performance; and explain how an organization is structured—along with the responsive process to the environment—through the agency of their people. Configurations are central orchestrating themes which organize and connect an organization's elements (Miller 1996). Miller (1990) suggests that the themes are possibly products of a Chief Executive Officer's vision, a unique organizational talent, a competitive advantage, or a special corporate culture. In a sense, configuration theory particularly attempts to model the interrelationship between the environment and the organization influenced by managers, and managerial practice (Miller 1987).

Pels et al. (2012) postulate that configuration theory offers useful insight into the process of resource integration related to the co-creation of value, whereby internal and external resources influence the collaboration process for value co-creation—as engaged by managers in response to the environment or context. The positive effects of interrelationship are defined as the configurational "*fit*" between elements to support the firm in capturing, and delivering value co-creation opportunities (Storbacka et al., 2012). Furthermore, business models for value co-creation are effective when they achieve both inter-configurational fit between business models' elements, and intra-configurational fit between the focal actor, and other related actors.

Maglio and Spohrer (2008) clarify that configuration theory aims to explain how the focal actor, and other related actors configure their resources, through the agency of their people responding to the context. They further explain that in the configurations of people, technology, and value propositions in a value network of actors, technology is central to the integration process, whereby the role of people is to interact with technology for resource integration. Existing research highlights the relationship between organizational constructs and organizational culture (Allaire & Firsirotu 1984; Homburg & Pflesser 2000). Dauber et al. (2012) emphasize how organizational culture affects organizations' imperatives in its role as a moderating influence on the organization during operationalization. As a configurational fit is a prerequisite for a value co-creation business model (Storbacka et al. 2012), it is necessary to understand the organizational culture that enables the establishment of constructive dialogues, and interactions leading to positive interrelationships.

2.5 Organizational culture

Value co-creation requires collaborative efforts with internal and external partners (Lee et al. 2012). The literature indicates that good internal cooperation is a prerequisite for effective external relationships (de Leeuw & Fransoo 2009; Flynn et al. 2010; Germain & Iyer 2006; Hillebrand & Biemans 2003; Langerak et al. 1997; Takeishi 2001). Flynn et al. (2010) suggest internal departments, and functions, should operate as part of an integrated process together with external partners. The knowledge and skills for value co-creation reside in the different organizational functions (Kohli & Jaworski 1990; Lambert & García-Dastugue 2006). The daily interaction with the other organization will help employees with different functions to gain insights about the knowledge and skills in their key areas. As opportunities for creating value-in-use may arise from multiple areas—requiring the application of a variety of competencies—internal collaboration is necessary to combine the specialized skills from different roles to identify opportunities, and design better offerings (Lambert 2008).

Research has indicated that a lack of, or poor internal collaboration may restrict, and/or lead to difficulties for external collaboration (Ellinger et al. 2006; Hillebrand et al. 2003; Langerak et al. 1997). This causes insufficient knowledge about what the other functional departments are doing, in turn affecting possibilities for external collaboration. As a result, it breaks the integrated process of the ecosystem. Sanders (2007) reveals that external collaboration indirectly influences an organization’s performance through the impact of internal collaboration. This view echoes Barratt (2004), and Möller and Rajala (1999) who claim that it is imperative for the organization to have an internal collaborative culture in place to facilitate external collaboration. Biemans (1991, p. 738) explains that *“relationships with* *external parties need to be coordinated internally to be successful. Thus, external cooperation results in a need for internal coordination"* (see Figure 2).

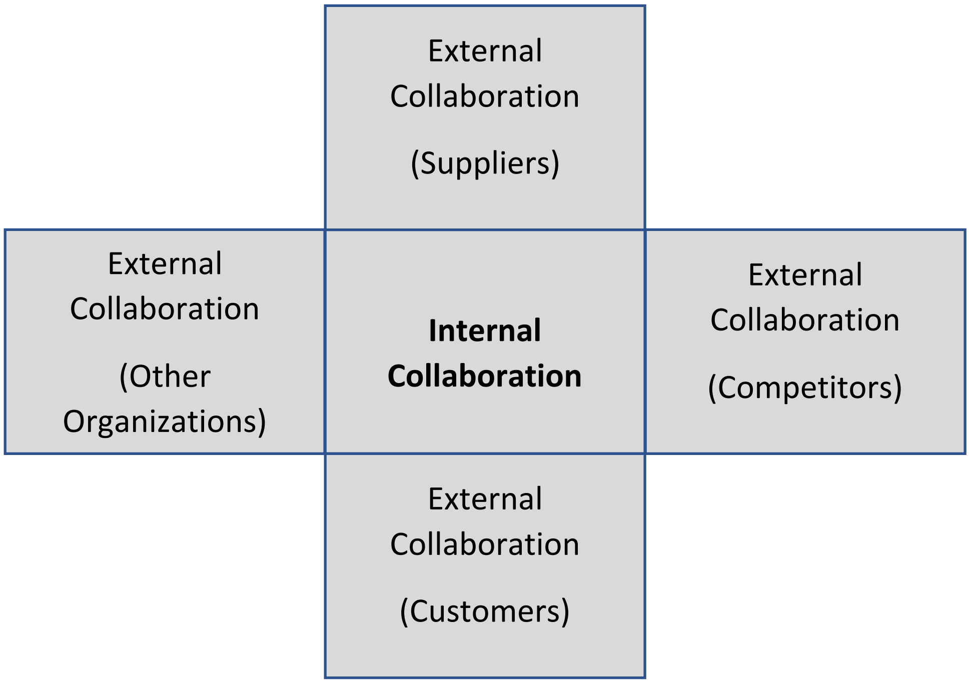

Figure 2: Scope of collaboration (from Barratt, 2004)

Despite the significant role of internal collaboration in successful external collaboration, and hence, an organization's success, effective internal collaboration is still challenging to accomplish (Fawcett & Magnan 2002; Moenaert & Souder 1990; Souder 1988). Ellinger et al. (2006) and Kahn and Mentzer (1996) suggest that lack of communication, poor working relationships, conflicting goals, lack of shared resources, and lack of direction from senior management contribute to unsuccessful internal collaboration. Staw et al. (1994) emphasize that negative emotion in the workplace creates difficulties in engaging in a supportive social context between co-workers and supervisors, and leads to ineffective cooperation.

Serious barriers that obstruct collaboration are embedded in corporate cultures (Parker & Anderson 2002). Campbell (1998) suggests that organizational culture influences internal and external collaboration as the way persons interact with external parties, and *"is shaped by accepted social guidelines or norms which have become institutionalized within the firm"* (Campbell 1998, p. 199). Therefore, if an employee cooperates closely with other employees, the practices of cooperation will be established. These practices are expected to be reflected in the external relationships of this employee as well (Lewis 1995). Similarly, if employees are not used to cooperating internally, they are less likely to have established relational practices, and therefore less likely to cooperate with external parties.

In literature on work organization, managers are considered the core element of the organization (Hofstede 1993). Configuration theory also focuses on the managers and managerial practices (Miller 1987). However, Ramaswamy (2009) emphasizes that the value co-creation journey always begins inside the organization, starting with employees. Masterson et al. (2000) stipulate that employees are the organization's social agents as they act within the organization's social structure, influencing the value co-creation process (Edvardsson et al. 2011) of which internal collaboration is a key element. Therefore, the organizational culture must facilitate a special engagement and relationship between the employee and organization; with the employees and the interaction among employees as the new locus of the value creation (Ramaswamy 2009).

Grace and Lo Iacono (2015) state that the firm's internal value proposition deeply influences, not only employees' financial well-being, but also their social and psychological welfare. Employees who experience an organizational life with positive emotion have greater support from supervisors, and co-workers because they react more favorably to others, resulting in greater altruism, and cooperation with others (Staw et al. 1994; Waldron & Krone 1991). They also show more persistence and their cognitive functioning is enhanced which altogether leads to work achievement (Staw et al. 1994). Employees who work in a culture that illustrates the feelings of love and care create a close workplace relationship with internal peers, supervisors, and upper-level management; feel more satisfied with their jobs; are committed to the organization; and accountable for their performance. Grace et al. (2015) explain that social actions of the employees create and reinvent the organization's social structure (Barsade & O'Neill 2014a). Therefore, immersed in a supportive environment, the employees will demonstrate care towards their co-workers, leading to pleasant interpersonal interaction, and effective internal collaboration. Employees' actions will in turn influence the organizational culture to create the collaborative environment facilitating internal collaboration. VanMaanen and Kunda (1989) suggest the concept of "*control the heart*" should be the key focus of organizational socialization, and managerial attempts to enhance organizational culture.

Barsade and O'Neill (2014b, p. 552) propose the organizational culture of companionate love —*"feelings of affection, compassion, caring, and tenderness for others at work"*—to create a culture promoting "*love and care*". They argue that companionate love is relevant to organizational culture as it is a social emotion that focuses on interdependence, and sensitivity towards other people formed by social context (Gonzaga et al. 2001). They differentiate the culture of companionate love which they name "*emotional culture*" from cognitive culture which has been long established in the organizational culture theory. Emotional culture of companionate love is defined as "*the behavioral norms, artifacts, and underlying values and assumptions reflecting the actual expression or suppression of affection, caring, compassion, and tenderness, and the degree of perceived appropriateness of these emotions, transmitted through feeling and normative mechanisms within a social unit*" (Barsade et al. 2014b, p. 6). Based on the lack of emotional content in the current notion of organizational culture research—which is defined as a set of cognitions shared by members of a social unit (O'Reilly et al. 1991)—their argument is supported in anthropology (Rosaldo 1984), sociology (Goffman 1959), and psychology (Keltner & Haidt 1999) which recognize the emotional nature of culture.

Employees will likely see themselves as more collectivistic and interdependent if they experienced the companionate love, which will lead to greater cooperativeness (Chatman & Barsade 1995; Markus & Kitayama 1991). Canevello and Crocker (2010) conclude that employees may contribute more toward compassion-oriented goals with greater positive interpersonal responsiveness. As a strong culture of companionate love is based on interactions with others in the environment, it likely has the positive effect on the internal collaboration of the value co-creation process.

2.6. Research Problem

Whilst Storbacka et al. (2012) address the lack of value co-creation aspects in current business model definitions and suggest a business model framework engaging value co-creation, its application in a wider variety of contexts remains a question. Firstly, there is a concern as to how business models are enacted in non-Western contexts. Narver et al. (1990) remark that research on business models is based on the assumption of established market structures, known customer preferences, and existing competitors. However, in emerging markets, market norms, rules, and boundaries are uncertain (Holloway et al. 2010). The existing business model studies *"have missed a critical element of business model development – the stages prior to the establishment of clearly and widely understood market norms, rules, and boundaries"* (Holloway et al. 2010, p. 88) in the application of emerging markets. The dominance of Western models in replacing local knowledge systems is critical as the transmitted model cannot accommodate the cultural, economic, institutional, geographic, and other features of these markets (Jack et al. 2009). Khanna et al. (2005) document the challenges faced by multinational enterprises when entering and operating within the institutional conditions and distinctive environments of developing countries. As there has been scant attention given to business models designed for value co-creation in emerging markets, scholars have been calling for an urgent need to develop studies to explain business models in emerging markets (Eyring et al. 2011; Peng et al. 2008; Sartor et al. 2014).

Secondly, there is a limitation of understanding customer value as the majority of research is conducted in Western markets such as the United States, Western Europe and Great Britain (Lusch et al. 2014). Woodruff and Flint (2006) note that Service-Dominant logic is a highly customer-centric paradigm and customer value is by nature phenomenological, especially culture-dependent. Therefore, the application of Storbacka et al. (2012) framework on business models for value co-creation in a significant different cultural context like emerging markets needs further examination.

Thirdly, there is a question regarding the role of human agency in the resource integration process. Value is co-created as the outcome of resource integration (Vargo & Lusch 2008). While configuration theory considers technology as resource integrator in the integration process, it is debated that human experience is the core of value co-creation. Ramaswamy (2011, p. 196) argue that value is a function of human experience which is co-created by *"the collaborative, dynamic, contextual, and generative human interactions".* The author suggests that technology plays the role of the engagement platforms, supporting these interactions within and between the focal actor, and other relevant actors in a network to create meaningful experiences—then mutual value. If the human and social experience generated from the interaction based on engagement platforms is central, it raises the question of facilitating these interactions and experiences to make business models at the meso-level for value co-creation effective?

Finally, there appears to have been little research to understand the impact of organizational culture on internal collaboration. Enz (2009) notes in his doctoral dissertation how current research on factors influencing internal collaboration have been focused on understanding different elements of team interaction. One stream has been interested in the team interaction in behavioral science (Hare 1962; Tuckman 1965). Another pays attention to the link between the input factors, and the team interactions variables to address the effects of factors such as team size, team composition, and context on team dynamics (Bales 1970; Bitner et al. 2008; Schutz 1958; Thomas, EJ & Fink 1961). The third stream emphasizes the link between team interactions, and outcome variables that highlight the effect of the team interactions (individuals' personality, leadership, group decision making among others) on the team's outcomes (Hackman et al. 1976; Janis 2008).

2.7. Conclusion

This chapter reviews the literature relating to business models for value co-creation. The review discusses previous research on the topic of internal collaboration as well as corporate culture that influence the value co-creation process. A research gap that exists between organizational culture, employees' emotion, and internal collaboration; and the framework of co-creation process business models is identified. The following methodology chapter discusses how this study analyzes the identified research gap.

CHAPTER THREE

METHODOLOGY

3.1. Introduction

In this chapter, the research methodology and the empirical research process are explained in detail. First, the considerations regarding the positioning of the study in the philosophy of science are discussed. Second, the methodological choices are explained. Third, the data collection and analysis are presented. Finally, the issues related to reliability, validity, and the role of the researcher are discussed.

3.2. Approaching the research methodology

Burrell and Morgan (1979) suggests that the methodological choices should reflect the philosophical positioning of the study. Focus on understanding phenomena in their natural setting, and cultural context, this research is guided by a constructivist ontology with an interpretivist epistemology which allows the investigator to construct, and interpret patterns and meaning from the participants' viewpoints. Constructivism has informed the ontological stance because it suggests that reality is socially constructed by the active role of individuals, and that the world reality is viewed subjectively, not objectively. The adopted philosophical position is supported by Schatzki (2003) who promotes a critical analysis of context to understand a social phenomenon as the knowledge of individuals' words and actions can only accumulate by associating them to the wider context in which they have happened.

The adoption of a qualitative approach is based on the proposal that it delivers *"valuable insights into how people construct meaning in various social settings"* (Neuman 2006, p. 308). Sherman and Webb (1988, p. 7) suggest that qualitative research aims to *"understand* *experience as nearly as possible as its participants feel it or live it".* Creswell (2013) speculates that qualitative research occurs emergent rather than anticipated in a natural context where the researcher plays the role of interpreter to construe the social phenomena holistically which has led to my interpretivist epistemological position.

The research objective is to gain an insider's perspective by explaining an existing unexplored topic, with the adoption of following the hermeneutic interpretation process (Laverty 2003). This process of interpretive activity is essential, to properly understand the other's world, whereby *"the participants are trying to make sense of their world; the researcher is trying to make sense of the participants"* (Smith & Osborn 2003, p. 51). Sense-making the interviewee's experience is subject to the researcher's own conceptions. It is critical for the qualitative researcher to consistently reflect upon their self and position, acknowledging biases, values, assumption or interests at the starting point of the study (Creswell 2013). Meyrick (2006) states that a researcher may form the findings on facets of a topic that exhibit resonance with their own experience. This reflexivity should be acknowledged to support the objective of the research.

3.3 Qualitative case study

Walsham (1993) endorses the suitability of the interpretive case study in studying the problems at their early phases in research, and theory. Neuman (2006, p. 41) further speculates that *"Case studies help researchers connect the micro level, or the actions of individual people, to the macro level, or large-scale social structures and processes".* This complements this research approach whereby organizations are socially constructed, and organizational employees are well-informed individuals able to create their own reality.

Yin (2013a) emphasizes that case study research is used to answer "*how*" or "*why*" questions to conduct an investigation into a phenomenon in its context when they address a contemporary set of events over which the researcher has little or no control. The case study approach is also recommended for investigating the situation where little is known about the phenomena as it leads to unseen constructs, and explores their logical association

(McCutcheon & Meredith 1993)—such as in this study examining the influence organizational culture on internal collaboration for value co-creation. Therefore, a qualitative, multiple interpretive case study has been adopted as it serves the research objective of illustrating, supporting, or challenging theoretical assumptions formed prior to the data being gathered (Merriam 1988), and allows the researcher to find patterns across cases which enhance the validity, and allow generalizability (Yin 2013b).

The qualitative methodology and interpretivist analysis of the information collected in this study specifically allows for the subjective nature of organizational culture to be incorporated into the findings, and enables the shared values and beliefs in each firm to be uncovered. Klenke (2008) considers the evidence from multiple cases more persuasive as the results produced are deemed less idiosyncratic than a single case, and the study is regarded to be both robust and reliable (Yin 2013b). In addition, the case study follows the replication approach used for multiple case studies, whereby replication corroborates, qualifies, and/or extends the findings of the first case (Yin 2013a). Yin (2013a) suggests that the replication found in as few as two case studies could be the foundation to draw patterns, and therefore two cases will be examined in this study.

3.4 Research context

Although the 'BRIC' nations (Brazil, Russia, India, and China) have been dominant in studies on emerging markets, attention has increasingly shifted to smaller emerging markets because of their rapid economic and demographic growth rates (Boumphrey & Bevis 2013). Vietnam is often highlighted as the country of focus and ranks among the *Top Emerging Markets for 2012-2017* (M-Brain 2012). Vietnam is also among the top three '*frontier markets'* that multinational enterprises are most interested in for future investment in the quarterly-based survey by the *Wall Street Journal* of 200 multinationals regarding their market priorities (Keeler 2014). In the *2015 Outlook for Emerging Market Economies*, Vietnam is forecasted as the second fastest growing economy amongst emerging markets (including the BRIC economies) with an expected real GDP growth of 5.6 percent (Euromonitor 2015). These factors best support the context of this study.

3.5 Data collection

A key feature of case study research is the use of multiple data sources to enhance data credibility (Eisenhardt 1989; Yin 2013b). Flick (1992) confirms that triangulation of data collection promises the rigor, breadth and depth for a study. Therefore, for this study, data sources are compiled from both primary and secondary data. Firstly, primary data is collected through the form of in-depth interviews with senior and middle management of selected case study firms in Vietnam. As individuals at different organizational hierarchies have different perspectives about a phenomenon (Lincoln & Zeitz 1980), cross-functional interactions at lower organizational levels can differ from what was initially planned for the relationship at higher organizational levels. The research gathers the opinion from representatives of related functions that participate in cross-functional teams, and from different organizational levels to increase the representative of the data. Senior managers were selected as first key respondents due to their influencing roles in the company's overall strategy, organizational culture, and the direction for partner relationship. Middle managers were also important respondents since they provided rich insights based on their knowledge and experience, and close involvement in relationships with larger customers, and cross functional coordination.

While interviews allow the researcher to examine the phenomenon, they are unable to directly observe from the interviewee's perspective (Patton 1990). Thus, it is suitable for an interpretive study to access the meanings that participants assign to them to further understand the phenomenon. Interviews are applied in this research to help identify elements that form the value co-creation process from the perspectives of different persons in the organizations, and understand how and why they have a certain perspective. The interviews are designed as semi-structured which combines the advantages of both structured, and unstructured interviews (Flick 2002). The technique enables the researcher to gain understandings of people's perspectives on the topic the research focuses on (Davies 2007), and to capture the depth and complexity of participants' experiences. On one hand, it ensures comparable findings through structured questions. On the other hand, it allows explanation, and exploration of the social phenomenon in depth through open questions to ultimately achieve insight into the values, preferences, attitudes, and beliefs of the interviewees in the case study.

Vietnam agricultural organizations provide a rich context for this research. The majority of agriculture producers in developing countries are limited in scale and independently organized. These characteristics have restricted their access to technology, capital, extension services, and market integration (Devaux et al. 2009; Ferroni & Castle 2011) which in return makes them less competitive. The obstacle signifies enhanced opportunities for these organizations to engage in a wide range of co-creative practices. Through value co-creation, organizations may access resources, correct resource deficiencies, and improve resource density through the integration of resources. Competitive advantages may be achieved, and enhanced through integrating resources, and combining capabilities from the customers, and partners in a value network.

Each case firm will consist of at least five face-to-face interviews: The Chief Executive Officer and four from the management team, and middle managers of the selected company. By employing multiple interviewees, each case is depicted more richly, and at the same time with less bias in historical data recall (Yin 1994). Five cases have been chosen using criterion purposeful sampling, as this technique is suitable to identify cases that would gather the greatest possible amount of information (Flyvbjerg 2006) with some predetermined criterion of importance (Patton 2002). This technique is also in line with other studies of co-creation (Kowalkowski et al. 2012). The firms are identified based on the following criteria:

i. Outstanding success in their industries with dynamic experience of growth, and competitiveness in Vietnam;

ii. Variety in the forms and characteristics of business (B2B, B2C, family firm, listed corporation);

iii. Engaging value co-creation activities in their business; and

iv. Willingness to provide business information.

Contact was made with the potential case studies, and the interviewees initially via email. Potential interviewees were informed about the researcher, the nature of the study, and asked to collaborate, and assist in the study. Those firms that responded with acceptance were then contacted further by a combination of both email and telephone conversations to organize the interview time and location.

3.6 Sources of information

Among five cases, two firms agreed to participate into the research (see Table 1).

Table 1: Case study profiles

	Organization A	**Organization B**
Organization	Dairy and products from dairy	Shrimp and products from shrimp
Established	1976	1992
Type of organization	Listed corporation	Joint stock, private 82% family owned
Number employees	6000	10,000
Market position	Number 1 in Vietnam Top 50 biggest dairy producers in the world	Number 1 in Vietnam Number 1 in the world for processing shrimp

Within the two firms, the interviews started with the CEO/Managing Director, and focused on the macro perspectives of the firm: its vision, strategies, and how the business models designed for value-co-creation are innovated to eliminate disadvantages, and achieve competitive advantages; and the type of culture built to facilitate collaboration internally and externally. The CEO then nominated suitable senior managers and middle managers within the organization. This "*snowball*" sampling adoption, therefore, allowed for the recruitment of further participants which added value and another dimension to the study (Noy 2008). Senior managers are people taking charge of operations, marketing and management, sales, and production; and middle managers are those leading a function within the department. These managers were interviewed for their perspective on the key research issues relating to their department, and function operations in relation to cross-functional collaboration.

Each respondent was interviewed in a setting that was mutually agreed upon but convenient for the interviewee. In all cases this was in their office. The interviews were recorded using two-three digital recorders, one as the main recorder, the others as backup. The shortest interview was 42 minutes in duration, while the longest interview lasted two hours 22 minutes. On average, each interview took almost one hour 20 minutes.

Finally, secondary data (see Table 2) including archival documents, published articles and reports, information regarding the company, informal observation, and any form of information relating to the company formed or distributed during the research period were collected. This triangulation of data collection will mitigate the opportunities for bias by one source or one kind of data (Denzin & Lincoln 1994). It is acknowledged that there are limitations to the chosen non-probability sampling methods. While Bryman and Bell (2007, p. 198) indicate that the research findings might be a foundation for further research or associations to existing forged findings in the area, the techniques presume the limitation in diversifying the respondents (Taylor & Bogdan 1984, p. 93).

Table 2: Data Sources and Profile of Interviews

	Organization A	**Organization B**

Organization	Dairy and products from dairy	Shrimp and products from shrimp
Data Source		
Interview	● CEO (Respondent 1) ● Executive Director - Marketing (Respondent 2) ● Executive Director - Production (Respondent 3) ● Human Resources & Training Manager cum Human Relations (Respondents 4,5,6) ● Dairy Development Manager (Respondent 7)	● Founder cum Chairman cum CEO (Respondent 1) ● General Manager 1 - former Group HR Vice President (Respondent 2) ● General Manager 2 - former Group CFO (Respondent 3) ● HR manager 1 cum Human Relations (Respondent 4) ● HR manager 2 cum Human Relations (Respondent 5) ● QA manager 1 (Respondent 6) ● QA manager 2 (Respondent 7) ● Sales director (Respondent 8) ● Production Director (Respondent 9) ● Production - Vice President (Respondent 10) ● Technical - Vice President (Respondent 11) ● Quality Police Manager (Respondent 12) ● Social Enterprise Director (Respondent 13)
Documents of archival data	● Annual reports ● Investor reports and market analysis ● Organizational charts ● Company's value book Website contents ● Media articles, videos, interviews ● Other research articles Partner's website	● Website content ● Media articles, interviews ● Investor reports and market analysis ● Organizational charts ● Partner's website
Observation	● Informal conversations with executive assistant, former employees, supporting staff	● Informal conversation with executive assistant, other employees and executive ● Social café, lunch and dinner.

3.7 Validity and reliability of analyzed data

This study recognizes that there are limitations in the qualitative case study approach in comparison to other methodologies. The subjective nature of the qualitative approach produces a bias by the same investigator involved in the selection process, and the analysis of the information. To minimize this effect, triangulation of data was introduced in the process of obtaining information of the analyzed cases (Eisenhardt 1989; Yin 2013b). The lack of statistical validity and representativeness is also assumed.

The methods used in this investigation to guarantee the validity and reliability of the data were threefold. The use of Storbacka et al. (2012)'s framework helps to provide direction to the research while also supplying a benchmark from which to analyze information obtained from a case (internal validity) and to appraise the usefulness of the case findings to other settings (external validity). Different sources of data were used in obtaining information to enhance validity. After all interviews were transcribed, the investigator reviewed each transcription by listening to the record, and comparing with the transcripts again to avoid any possible interpretation errors.

3.8 Data Analysis

Analysis of the data follows a hermeneutic circle whereby meanings continually arise— from the whole, to the parts, and back to the whole—through a careful and thorough process of reading, reflective writing, and interpretation (Laverty 2003). Myers (2013) suggests researchers obtain an expectation of meaning from the context of historical events, then comprehend a complex whole from presumption about the meanings of its parts, and their interrelationships. In this research, firstly, general knowledge about the case (the whole) will be gained through secondary data (the parts) before interviews. The interviews will then provide further information about the case, including how the various elements augment each other. When contradictions of opinion about an event relating to the case emerge, the hermeneutic circle will continue, until the context behind the differences is understood.

The hermeneutic circle is applied to identify unique patterns within the data for that single case, whilst the cross-case analysis searches for common patterns and determines where the similarities and differences between cases exist (Laverty 2003). In this study, data collection and analysis has been repetitious, recursive and parallel. A preliminary analysis of the data was conducted simultaneously with the transcribing of interviews. In the process of analysis, the investigator is consistently mindful of potential threats to quality, such as bias in interpretation, the over emphasis on positive cases, the discounting of negative cases, the attention on the infrequent, vague definitions of concepts, inconsistent application of such concepts, and unjustified generalizations. The investigator is extremely aware of the possibility to generate incomplete and biased analyses.

3.9 Ethical Issues and Considerations

This research is guided by Bassey (1999, p. 74) who promotes trustworthiness in research. Therefore, the investigator adopts this approach to form the ethical position in the study to "*be truthful in data collection, analysis and the reporting of findings*". Also recognized is the needful consideration of both the research interest, and the rights of the research respondents, to avoid possible ethical issues between "*the pursuit of scientific knowledge and the rights of those being studied*" (Neuman 2006, p. 129). Throughout the data collection process, all respondents were made aware of the research overview, its purposes, and how their identities are confidentially protected. Interviewees were briefed on the aims and procedures of the study, and their voluntary informed consent obtained in writing prior to each interview—which was confirmed again on the day of the interview. The informed consent also acknowledged their right to withdraw from the study at any time, with or without reason.

As the study comprises primary data collection involving human subjects, ethical application was approved, and support obtained from Macquarie University Human Research Ethics Committee early in March 2017 before the fieldwork commenced.

3.10 Conclusion

The qualitative case study approach is deemed to be appropriate for research that requires deeper insight into new topic areas such as the one presented here (Stake 2013). The two firms chosen for analysis, and the interviews conducted with CEO and managers of each firm, were highlighted to give greater insight for the individual case, and cross case analysis in the following chapters. Similarly, the reliability and validity of the data—as well as the methods used to analyze—were reviewed to emphasize the credibility of any findings or conclusions drawn. Overall, this chapter has brought attention to the qualitative methodology implemented in this study, and its importance in obtaining richer explanations of the propositions.

CHAPTER FOUR

CASE STUDIES

4.1 Introduction

This chapter presents the individual case studies. Two case studies (Organization A and Organization B) are introduced with a brief background on their inception. Each case discusses four dimensions of market, offerings, operations, and organization that form the value co-creation business models. Design, resources, and capabilities in each dimension will be implicitly discussed. Therefore, the aim of this chapter is to provide a summary of the main findings of each case within the business model framework for value co-creation.

4.2 Organization A

4.2.1 Background

Organization A was established in 1976 as a coffee and dairy company. It commenced with two dairy factories, mainly producing condensed milk and ice cream, handed over from the former regime. In 2003, through its initial public offering (IPO), it was renamed, and reformed as a Joint Stock Company. Thus far, Organization A has had 13 modern factories across provinces and cities of the country. It also invests in three manufacturing plants in the United States, Cambodia, and New Zealand.

Organization A has become Vietnam's largest dairy firm, among the world's Top 50 milk producers by revenue, a Forbes Global 2000 firm and has put its foothold in 43 countries.

4.2.2 Market

Organization A's development of resources and capabilities for customer and market could be divided into two periods: (i) before the entry of international players; and (ii) after the entry of international players.

Before the entry of international players, Organization A identified that to completely dominate the domestic market, it had to be available nationwide. Therefore, learning from the international players, the company gradually changed to direct distribution. The distribution model has been aggressively transformed since 2006 with the recruitment of sales experts from international companies. At the end of 2016—apart from more than 100 dairy flagship stores operated by itself—Organization A developed an exclusive network of over 200 distributors, selling directly to more than 230,000 retailers and restaurants, scattered throughout the country at convenient locations. This new channel structure enabled the company, and its products, to approach any consumer in any region in Vietnam.

For distribution, the company wanted to apply the model from international players. It is the first company in Vietnam to apply an online sales management software system connecting all distributors, sales managers and staff—providing an uninterrupted, online, and centralized database. All information such as inventory, product display, orders, pricing, promotion—at both retailer and distributor levels—is updated live to the headquarters.

Marketing was acknowledged the greatest weakness of Organization A, after the entry of international players, as the Chief Executive Officer noted:

> *"The point is we were behind in term of knowledge, especially in marketing… You know, we knew nothing about marketing in the past. Know nothing about marketing. We did very well, the products were very good, the price was very affordable, but we didn't know how to communicate, we didn't know how to reach consumers directly"*

Again, Organization A addressed its shortcoming by learning from its competitors. It employed the best marketing experts in Vietnam, providing them with financial resources, and freedom to turn around its marketing practices. The CEO emphasized:

"Marketing had never been the strength of local companies but multinational firms. But we dares to learn, develop and invest in marketing department, budget, and strategies for marketing. Up till now, our marketing [department] is equivalent or much bigger than other multinational firms"

The organization partnered with global research, media, communication, and advertising agencies to completely transform its marketing activities. After that, the company applied the acquired capabilities in a relevant local context. While multinational companies utilize a regionally oriented strategy to adapt marketing strategy, and communication platform from large markets to a smaller market like Vietnam—Organization A has employed the knowledge and skills it acquires from multinational companies, combined with its understanding of local customers and markets—by indirectly collaborating with customers—to make its brands very relevant to customers. This has become one of Organization A's greatest competitive advantages, especially the product taste, and communication relevance. The Marketing Executive Director remarked:

"we have better local insights than multinational companies which have been translated into the product taste… we know how to mix the ingredients to make the taste and flavors that consumers have been familiar with, which is very unique and hard for multinationals to match… The local insights are also illustrated in our product communication."

4.2.3 Offerings

Organization A follows the product diversification strategy which covers almost all segments. Leveraging its knowledge of local consumers, the company develops *offerings* tailored to both mass and niche markets, and learnt to create a large variety of products cost-effectively. Organization A is therefore able to provide consumers with a low level of customization inexpensively. It offers as many as 250 products with 1,000 items in 10 categories. This becomes the basis on which Organization A differentiates itself from, and obtains advantage over multinational rivals, who typically optimize their operations on a global level by standardizing product characteristics, and administrative practices which can restrict their flexibility and offerings. The CEO revealed:

> *"…No company is able to do like this because there are so many products and items… Multinationals would delist, delist, delist… I still review every year to see which items should be delisted, which items should be maintained. However, there are items which we couldn't sell much but they still serve a small group of customers. If we stop these offerings, those customers have nothing to use. So, we still maintain the items."*

Organization A partners with international biotech companies such as DSM, Lonza, and Chr. Hansen for research and development (R&D). This partnership provides Organization A with updated knowledge of the dairy industry, and ensures the company remains innovative, and a pioneer in the industry. Being a local manufacturer has also broken access barriers to Vietnamese consumers, especially in the formula milk segment which was dominated by international brands.

Organization A also invests in product quality control and management. All factories operate under the advanced international quality management systems of BRC, ISO|IEC 17025, HACCP, and FSSC, and are accredited by the world's leading certifying bodies. All manufacturing stages—including pre-, mid-, and post-production—are strictly managed to ensure products' quality and safety. At the same time, it enables Organization A to follow a competitive pricing strategy for Vietnamese consumers across categories, whereas international brands are only accessible to a certain number of classes of consumers.

Thus far, Organization A has 13 factories across provinces and cities of the country. The nation-wide manufacturing coverage provides a competitive advantage for Organization A to shorten the transit time from fresh raw milk to factories for production, as well as to accelerate the time-to-market. Currently, Organization A has the largest production capacity—and the shortest time to market—far more than its closest competitors. The CEO highlighted:

> *"When we decide to invest, we will choose to invest the most advanced technology at the time. This is the key of Organization A. Because it will increase the productivity and decrease cost."*

By developing networks of local and international R&D, Organization A has accessed new knowledge, and absorbed current global and local research results into its own organization, and developed its internal R&D capabilities. The ability to embrace an informed approach to global R&D, the deep understanding of local insights, and the adoption of technology trends enable Organization A not only to meet the challenges but also move ahead of the competitor in its offerings. Together with its widespread and powerful distribution network, Organization A has built its capacity to commercialize its offerings in the market with rapid pace, ensuring Organization A remains competitive in the market.

4.2.4 Operations

The speed of *operations* at Organization A is built on clear, flexible working processes, empowerment to individuals, and collaboration across divisions. The clear processes ensure the consistency of quality across manufacturing sites. However, it is also designed for flexibility which enables the company to overcome unexpected challenges, and have the appropriate response to the environment. The Marketing Executive Director recalled:

> "*The way of working here is cutting complexities and bureaucracy. At multinationals, there are so many layers and non-productive processes. While at Organization A, there are flexibility so that we can cut the non-productive parts and go straight to the point, to what makes sense. We save cost of business and people."*

The flexibility is enhanced by the collaboration across functions. Decisions are based on operational effectiveness, and what is needed to enable the firm to achieve the pre-identified target. The Production Executive Director said:

> *"Every division interacts with each other and relates to each other. Production interacts [with other divisions] and people must collaborate…the collaboration across divisions, there will be different opinions, agreement but at the end we will come up with a*

common solution to bring benefits for the whole company, not for this division or that division… it is ultimately for the company's optimal results."

Empowering the individual is another key component contributing to Organization A's speed of operations, and fostering of cross-functional collaboration. By empowering staff, the firm gives each employee the responsibility and accountability for a task, and the authority over the task while still retaining the manager's control and accountability. The CEO stated:

> *"When there is problem, he [employee] has to find the solutions himself. In case he can't solve it, he escalates to his line manager but the line manager does not solve it for him. He will be guided to do it himself. He learns gradually to work independently. Leaders and managers are not the ones who solve the problem but to give direction for their subordinate to do it."*

The second component of Organization A's effective operations is the strong collaboration of a network of partners and alliances, including dairy farmers. Before forming a partnership, Organization A uses an informal 'mates' approach to understand if the potential business partner would be reliable and trustworthy. The Dairy Development Manager shared:

> *"We select friends before select business partners… It means that good friends will generate good partnership…we meet them, share with them our business and listen to their sharing about their business. There is no business at that time. Sitting down together and sharing with each other to understand their way of doing business, open to each other…"*

Once the partner is identified, the partnership is governed by a partner agreement but developed by a hybrid form of informal and formal relationships. Organization A has developed a strong network of partners with this approach. In addition, the company also adopts its speed of action, and internal collaboration mindset when working with its partners. This has strengthened the outcomes of collaboration, and inspired others to partner with Organization A.

4.2.5 Organizations

The company recognizes the role of people to the success of the company. Thus, the organization is built around people, and empowering individuals. The company principles center on providing a professional and family-like environment, and great financial remuneration for employees at all levels. The CEO noted:

> *" We create an environment where employees feel like their home… it is the responsibilities of all managers to create this environment…we understand if people go to work and do not earn a living from work, no one will stay with the company… we do whatever we can [to improve employees' life] and build the welfare and reward fund for employees…. This is a big family. It is not only an 8-hour job but also a kinship relationship."*

The professional environment is built on the organization structure, roles and responsibility, and metrics. The company adopts a western structure of division, and an executive director to facilitate decisions. Yet, in this structure, the decision-making process is designed to also empower individuals at the lowest organizational levels. The company recruits top students from university, and many of them will be sent to Russia for further training. The company also work with leading institutes in Vietnam to design special short and long courses for its employees. The company also builds an environment to encourage innovation from all levels, and turn that innovation into reality. The CEO continued:

> *"Employees at all levels must be, first honest, second innovative, and third knowledgeable… and must respect the principles in the relationship with others [caring, respectful, helpful]."*

The company, in addition, takes care of the employees' well-being. The care goes beyond work. Leaders and managers in the company lead by example to act in a caring manner in any decision about the employees. The CEO shared her thoughts:

> *"As a leader, I must live in a way that younger brothers and sisters [employees] feel attachment to me. They treat me as their big sister not only in work but also in personal life, I must support and make it easy for my younger brothers and sisters…"*

"We never think of firing people … most of the cases I give the employee a trial period of 3 years… we must be patient and help our employees [improve] …. It normally shows results in less than 2 years … we must give our people the chances."

The company builds a balance between a professional and emotional culture for employees to perform. The CEO emphasized:

"We have to follow the principles and good practices of management. However, apart from that, there are so-called emotions, not only this principle or that principles."

Work from leaders and managers have therefore created the caring culture among employees which has meant a low turn-over rate, and a high degree of collaboration across individuals in Organization A. The Human Relations Manager recalled:

"A worker is sick; his team gives him their annual leave and arrange to go to the hospital to take care of him... This is normal here… People care for each other and support each other from the smallest things."

4.3 Organization B

4.3.1 Background

Organization B is the largest shrimp-producing company—both in Vietnam and globally—and leads the local and international markets of processing and frozen shrimp. This listed but family owned business (82% of company shares belong to the founder's family) started as a shrimp sourcing agent for state-owned enterprises in Vietnam in 1988. In 1992, it was registered as a private enterprise when the constitution in Vietnam officially recognized the role of the private sector. In 2002, it was re-formed into a Limited Liability Company and turned into a seafood import–export company. From this period, the organization has specialized in shrimp, and has developed into a leading firm in shrimp exports in Vietnam. In 2006, through its initial public offerings (IPO), it was re-formed as a Joint Stock Company. Since then, Organization B has rapidly expanded its business with an impressive growth, especially with the inauguration of one of the most modern shrimp processing factories in the region in 2011. At the end of 2015, it had successfully developed a complete value chain including a Research and Development center, hatcheries farm, feed mills, shrimp farms, processing factories, logistics, and export subsidiaries.

Currently, Organization B is a holding company with more than 10 subsidiaries and processing factories. Products have been exported to more than 80 countries and territories such as the United States (US), Japan, Canada, Europe, and Australia. Among the top 50 largest seafood companies in the world, Organization B is known as "*King of Shrimp*" by being number one globally in shrimp processing.

4.3.2 Market

Initially, Organization B targeted local customers in Vietnam. The firm had the first international customer during the 1990s when it was the only company in Vietnam able to satisfy the request of an urgent order with strict criteria from a US customer. As a global player in shrimp, Organization B has built a strong foundation for the company to become a leader in the local market in recent years. The CEO revealed:

> *"In many years, we have retained 50% of our customers going together with us since the early days…there were customers doing business with since 1999, they were very small, no one knew. Nowadays they have become the leaders. There was a customer from US, leading US market, 1 customer from Japan, leading Japan market, 2 customers lead Canada's market. We also built a customer in UK, it becomes very big now…"*

Organization B has always placed customer collaboration and loyalty at the heart of their growth. This allows them access to customers' resources to understand the dynamic changes of international shrimp markets, and to adapt at speed in the face of relentless innovation while mitigating the innate problems of smallness. Organization B refers to customers as collaborative partners in mutually beneficial relationships, and appraises trust, reciprocity, and mutuality in nurturing the entire spectrum of managing the relationship with its customers. Over time, Organization B carefully identifies those primary customers who share a similar perspective on collaboration in conducting business. As a result, the company is able to leverage the energy and creativity of its people to collaborate with the customers to achieve supreme customer loyalty, and sustainable growth. The CEO emphasized:

> *"The perspective is that you (customer) and I (Organization B) is one. You think for your business, you must also think for mine and vice versa. Until then we can go together, it is the true meaning of mutual benefits."*

The company also sets up systematic dialogues with its primary customers to understand if its product and service attributes match customer values, and how the organization fares in comparison with competitors. Such collaboration allows Organization B to refine its propositions, products, and services; to improve the customer experience; and to develop the organizational capabilities to continuously delight the customers. The chairman repeatedly highlighted his perspective in doing business:

> *"You [customer] and I [Organization B] are on the same boat. If you expand your business…meaning I expand mine. Therefore, I must help you to develop your market and you help me to grow my capability. We collaborate…"*

The critical dimension for Organization B is to win its customers' heart and mind, as evident in the practice of reciprocity and mutuality in these collaborations. The company recognizes the nature of collaboration is the mutual dependency upon which each partner needs to make continuing, valuable contributions to the business, take responsibilities and risks, and share the wealth together. Organization B and its customers review the market situation, and their business goals together to provide each other proper, and just- in-time support. There might be a loss for a partner in the short term, however, the ultimate goal is each partner in the collaboration generates profits over a period of time.

4.3.3 Offerings

Organization B has built its offers with a global standard of excellence to compete globally. The company gains a combined advantage from its vertically-integrated production, which is comprised of Specific Pathogen Resistant (SPR) breeding stock production, a large company-owned farming area, a sustainable shrimp supply chain, and modern manufacturing plants. Organization B also builds its strong capabilities in research and development. The organization has become a global innovative pioneer as recognized in achieving the world's first Selva Shrimp certification for integrated shrimp-mangrove farming. Its factories—the most modern facilities in the regions—are operated under the advanced international quality management systems.

With the adoption of innovation in the whole value chain, Organization B has engaged a link-by-link view in its innovation efforts. This view assists the company to identify and improve the weak links in the chain, and boost the enhancement of their core innovation capabilities in rolling out its competitive offerings at a rapid pace. This value chain innovation has become a superior competitive advantage that few companies are able to match at a global level.

4.3.4 Operations

Organization B applies R&D outcomes, new farming techniques, breading stock, and shrimp feeds that are developed for the specific conditions of the country. These methods are then used as exemplar for farming partners to adopt, and improve their farm practices. In the application of the vertically-integrated production, Organization B completely owns and controls the processing facilities. Other links are implemented by its subsidiaries in collaboration with the partners. This strategy allows the company to monitor the processing quality at the highest level. At the same time, it ensures innovation across the value chain, not only for the strong but also the weak links.

In the application of the vertically-integrated production, the company has a heterogeneous structure. This structure affects a high distribution of tasks, requires a very high demand of inter-organizational coordination, and a seamless flow of information between the functions. Organization B leverages the informal communication channels in the form of emails, one-to-one conversation, and phone-calls to keeps relevant functions instantly updated with the firm's operations. The informal communication is effective and faster than the formal, and limits the misinterpretation of information coming from different functions. As a result, open communication minimizes interruption to operations, such as failure of goods or services, or delayed deliveries either internally or externally. The practice of information exchange is the first layer to build the interaction, and internal collaboration. The Sales Director shared:

> *"Most of us live nearby… company has housing policy for managers hence we live close to the company. Yesterday we went to one house for party. Today we will go to another house… We are like friends and brothers… Through the information exchange, we are up to date that makes our work more effective."*

Organization B strictly follows a clear process to ensure consistency in quality across subsidiaries, especially due to the company's size. At the same time, flexibility in operations is one of its competitive advantages. Aside from quality, all areas are open to flexibility such as ramping production volumes up and down to fit the demand of the market, increasing the range of available products, and fast tracking the process without quality compromise to quickly respond to an urgent order. The organization is able to respond to customer orders quickly, provide a broad product range, or introduce new products to the range effortlessly. The awareness of all functions fitting together into a whole to achieve a common goal and pre-identified targets requires collaboration between relevant functions in a flexible manner. The Sales Director recalled:

> *This way of working has been established from the beginning so the new comers just follow…private companies are often known for speed. The speed here is even faster. Sometimes we can do first and report later as long as it doesn't harm the mutual benefits. All of us work for the common benefits."*

Individual empowerment is another layer to build internal collaboration, and enhance Organization B's operations. Employees are given ownership of their roles and responsibilities, under a manager's control, and accountability. Employees are encouraged to seek collaboration with colleagues, and work creatively for better performance to produce intended results.

Production is the most complicated function within Organization B related as it is to other areas— from procurements, logistics, sales, QA, Quality and Process Police; and research and development. Therefore, every employee must work at production before moving to other functions. This has built the foundation for employees to learn what other departments do, and gain a holistic view of how the organization operates. Another positive aspect is the development of a network of relationships for employees across departments. As a result, employees work with each other in a collaborative manner to meet the company's common targets.

Organization B applies the same approach of customer selection to key business partner selection formalizing the collaboration in the forms of separate legal entities. The organization has joint venture relationships with Grobest for feed production; invests in research and development with Aqua Mekong Research Institution, and AquaMekong ShrimpVet Laboratory; establishes a social enterprise with farmers for shrimp farming; and cooperates with Gemadept to invest in Mekong Logistics for port operation and logistics center. By formalizing the collaboration, Organization B shows its commitment and responsibilities for joint effort, and benefits with the partners.

Powered by the strong external and internal collaboration, operations are shaped in a well-kit value chain from cultivation, harvesting and manufacturing, to logistics and distribution, and thus play a critical role for the company to stay competitive by continuously performing faster, and more efficiently. Ultimately, the endeavor for quality creates a resonant value for each partner in the chain.

4.3.5 Organization

As a family owned business, Organization B runs the company with a family approach, creating a family culture of which each employee is a family member. The company spans this approach across its employee lifetime, from recruitment, at work, and off work. Organization B has built a foundation of trust and a cultural promise to unite as one since its inception. Apart from the family members, many of Organization B's employees are graduates from Institute of Aquaculture, Nha Trang University, where Organization B's founder is an alumnus *(this is the only institute providing Aquaculture training in the country)*. This relationship is the starting point of the bonds among employees. The CEO shared:

> *"In order for the employees to think of this company as their second family we must take care of our employees' life better. Only when we take care of their life, they will feel this is their real family and contribute all efforts for this family. That is always what we are striving for."*

While family members hold the majority of shares, management is partly shared between family and non-family for the company to adopt modern management practices. The Q&A manager stated:

> *"Even though this is a family business and from the beginning the majority (of managers) are family member, there are non-family member managers like us at present. The treatment for us is the same for family members. Therefore, there is few conflicts for interest. We are together to develop the company."*

The bonds among employees and the practices from managers have created a harmonious working environment where people collaborate, and support each other. This is also the motivation for employees to be innovative, and respond quickly to the changing markets.

4.4 Conclusion

The aim of this chapter is to analyze and present the dimension and layers forming the business models for value co-creation of the two individual case study firms. By implicitly integrating the analysis of three layers of design, resources and capabilities in each dimension of market, offering, operations, and organization, the framework of business models for value co-creation may be investigated in a real-world analysis in the different context of emerging markets like Vietnam. These findings will provide a basis for the cross-case analysis that is presented in Chapter 5.

CHAPTER FIVE

DISCUSSION

5.1 Introduction

Chapter 5 provides a cross-case analysis based on the significance of the findings analyzed in Chapter 4. The analysis discusses the dimensions of business models for value co-creation consisting of market, offerings, operations, and organization. Each dimension is examined into three layers of design, resources, and capability in the models. Findings and patterns between the firms are also analyzed.

5.2 Cross-case analysis

A summary of the two case studies is presented in Table 3. It displays the individual case study firms and the findings based on the business models' four dimensions (market, offerings, operations, and organization) with three layers (design, resources, and capability) underneath each dimension. This allows conclusions to be made for the cross-case analysis.

Table 3: Summary of Key Findings

Dimension	Layer	Organization A	Organization B
Market	Design	● Local market ● B2C customers ● Direct distribution	● International markets ● B2B customers ● Direct delivery
	Resource	● Customer understandings and relational resources ● Strong brand equity	● Customer assets and relational resources ● Strong brand equity
	Capabilities	● Customer insight practices	● Customer insight practices
	Co-creation opportunities	● Co-distribution ● Co-conception	● Co-pricing ● Co-design
Offering	Design	● Diversification with low level of customization ● Superior value proposition	● Diversification with high level of customization ● Superior value proposition
	Resource	● Relational assets: technology advance	● Relational assets: technology advance
	Capabilities	● R&D practices, ● New product development	● R&D practices, ● New product development
	Co-creation opportunities	● Co-conception ● Co-design ● Co-producing value propositions	● Co-conception ● Co-design ● Co-producing value propositions
Operations	Design	● Make and outsource	● Make and outsource modification: vertical integrated production
	Resource	● Advanced infrastructure ● Int'l standards of process and management ● Network of suppliers and partners ● Partner relations ● Collaborative environment	● Advanced infrastructure ● Int'l standards of process & management ● Network of alliances and partners ● Partner relations ● Collaborative environment
	Capabilities	● Supply chain management & manufacturing ● Relational capabilities ● Internal collaboration	● Supply chain management and manufacturing ● Relational capabilities ● Internal collaboration
	Co-creation opportunities	● Co-sourcing ● Co-development of offerings ● Co-learning	● Co-sourcing ● Co-development of offerings ● Co-learning
Organization	Design	● People design ● Clear role and responsibilities ● Individual empowerment ● Attractive remuneration	● People design ● Clear role and responsibilities ● Individual empowerment ● Attractive remuneration
	Resource	● Family-like, supporting culture ● Employee bond ● Competent employees ● Leadership inspiration	● Family-like, supporting culture ● Employee bond ● Competent employees ● Leadership inspiration
	Capabilities	● Organizational agility ● Internal collaboration ● Collaborative innovation ● Leadership & Management practices	● Organizational agility ● Internal collaboration ● Collaborative innovation ● Leadership & Management practices
	Co-creation opportunities	● Internal collaboration	● Internal collaboration

This session reports on the outcomes of the cross-case analysis in relation to the research questions in this study

5.3 Research question 1:

How does a firm engage customers and its partners in a value co-creation process in emerging markets?

5.3.1 Market

The two organizations have different market and customer definitions in their *design*. Organization A focuses on local market with a B2C approach. It adopts an affordable pricing strategy, and follows a direct distribution strategy to deliver its offerings to end consumers. It finds co-creation opportunities in co-conception of its value propositions with customers and partners, and co-distribution with distributing partners. Organization B targets B2B customers internationally, and selects its primary customers based on their shared perception in conducting business. This creates co-creation opportunities in co-design, and co-pricing with these customers. Like Organization A, it also follows a competitive pricing strategy. However, the company delivers its offerings directly to its customers.

The clear customer and market identification in the design has shed light for both organizations in integrating resources with others, and building capabilities. Organization A has developed a deep understanding of their customers which has become a valuable relational *resource* for the company. It applies a diverse mix of techniques to understand its consumers' behavior, insights, and motivation. Specifically, the company has established an indirect method of interacting with its customers to better listen and learn from consumers' unfiltered conversations on their preferences, experiences, and habits (Crawford 2009). Its direct distribution system is also the foundation to build its network of distributors, which is another valuable relational resource. These relational resources are the focal resources for the company to co-create with other partners in research and development, advertising, and farming to build its very strong brand equity – the number one dairy brand in Vietnam.

The close and long-term relationship with the primary customer has become a very strong customer asset, and relational resource for Organization B, and the foundation for the company to co-create with customers. Organization B sets up direct interaction with customers through regular meetings and dialogues to co-design the value proposition, and improve customer experience. The interaction is generated from the mutual beneficial collaboration on the foundation of trust, reciprocity, and mutuality which cultivates a large pool of loyal customers for Organization B. The customer loyalty has become the important relational resources for Organization B to build its strong brand equity – "*King of Shrimp"*.

Organization A builds its market and customer management capabilities utilizing these integrated resources. Both organizations have built their *capabilities*: customer insight practices. Organizations A and B follow different approaches to collaboration in the dimension of market. Organization A does not collaborate directly with its B2C consumers but other partners in developing its proposition, and offerings. The insight from the indirect interaction with customers becomes a knowledge base for Organization A to collaborate with other partners to rapidly respond to customers' concerns and comments, namely: research and development to introduce and produce offerings, media and advertising to create and share the communication stories, and distributors to make the offerings available. This process of value proposition is continuously enhanced through the indirect collaboration with customers, and direct collaboration with other partners.

Organization B directly collaborates with every B2B customer to co-design the value propositions, and collaborates with other partners to co-develop the value propositions. The value proposition co-development process sometimes involves customers in the case of special features required by customers. Through collaboration, organization B, its customers, and its partners have developed co-learning including joint organizational learning, relationship learning, and co-innovation.

By engaging customers in the process, both organizations are able to design their own processes to align with those of their customers. These processes in return can produce superior insights and opportunities for co-creating value, and play the role as the fundamental source of competitive advantage for both organizations (Payne et al. 2008).

5.3.2 Offering

Both organizations adopt the product diversification strategy in a single industry. This strategy allows them to specialize resources and capabilities of their own, and from the resource integration process with other partners. This focus enables the production of a superior value proposition that fits with customers' practice constellations at a more competitive cost. This strategy is positively correlated with the organization's performance (Siggelkow 2003).

As discussed, both organizations co-concept and co-design the value propositions indirectly (Organization A) or directly (Organization A). Their value propositions outline the *offering* component available, and the possible offering configurations that require resources missing from the firms. The resources are then integrated from their networks to form a complete whole resource for the process of co-producing the value propositions. Gummesson et al. (2010) suggests that each actor in the network has different resources that serve to form the value proposition in a different way, hence, the resources need to be integrated to engineer the value-creating process.

Storbacka et al. (2012) highlight that technology and related intellectual property rights are critical in increasing value in use and become the main offering-related resource. In Service-Dominant logic, technology is defined as a collection of practices and processes, as well as symbols (Spohrer & Maglio 2010), that are drawn upon to serve a human purpose (Arthur 2009). These authors argued that advances in technology significantly improve the necessary resources integrated for the co-creation of the best possible value. This argument is applicable for both organizations. The development and expansion of both organizations is accompanied by the investment and improvement of their technology not only from them, but also their partners.

Organization A and B have built their offering-related capabilities in research and development, and product development. They both develop a local and international network to keep up with the latest research and development, establish customer insight practices, adopt the technology trend and process, and collaborate with partners for resources integration. This enables them to respond fast to the markets, and forge ahead of the competitors in their offerings.

5.3.3 Operations

Operations of both organizations are *designed* as they outsource most of the key materials through the collaborative partners, and make the offering themselves. Both organizations share similar patterns in operations which become the main *resources* of operations, including the most advanced infrastructure, international standards of process, and management to facilitate the speed of operations. In addition, both have developed a strong collaboration of a network of partners and alliances which has enhanced their competitive positions, and performance by integrating resources (Ireland et al. 2002).

In Organization A's networked economy, the list of suppliers and partners include farmers, raw materials partners, channel/distribution partners, technology partners, researcher partners, R&D partners, and communications and advertising partners. The collaboration is bound together under partner agreements. The firm finds the co-creative opportunities in co-sourcing of the materials with farmers, co-development of the offerings (value propositions) with all the partners, co-distribution with the channel partners, and co-learning from all the partners to improve its internal and external processes of operations. Organization B formalizes most of the partner collaboration by setting separate legal identities with its partners in Feeding, R&D, Farming, and Logistics. Even the collaboration with partners is legally formalized, with both firms combining formal, and informal approaches in the relationship with the partners. In close-knit networks of partners, the supports are sometimes beyond and above the clauses in the agreement by reasons of mutual benefits that foster the relationship and collaboration as *"Beneath most formal ties, then, lies a sea of informal relations*" (Powell et al. 1996, p. 120).

Both firms find the co-creative opportunities in co-sourcing of the materials with farmers, co-development of the offerings, and co-learning from all the partners to improve internal, and external processes of operations. By the nature of the business, each firm finds the co-creative opportunities in co-sourcing of the materials with farmers. Organization A develops the co-distribution with the channel partners, while Organization B forms the co-delivery with logistics partners.

In their framework, Storbacka et al. (2012) recommend that firms need to build operations *capability* in relation to supply chain management and manufacturing. The two organizations own close ties to partners, and trusting relations with their suppliers and partners—which both consider the strongest competence in supply chain management. Both organizations name their partners as friends, and the collaboration is grounded in friendship which is explicitly highlighted in the company's values books. Therefore, the collaboration with external partners is built on a mutual willingness to contribute more than what is formally required by the agreement. Any decision in the collaboration is based on the concern for both the company's welfare, and partners' well-being. The two organizations place effort to balance the mutual benefits. Reeve (1992) and Price and Arnould (1999) recognize the existence of friendship in business—if that relation involves a reciprocal wishing of value, a mutual awareness of this reciprocal wishing, and equal exchanges. The fact that both organizations engage in a special effort in identifying their partners and customers—who share similar perspectives in conducting business—to shape the friendship relationship, and foster the inter-firm collaboration. Stable relationships are built, with the recognition of others' well-being, and encouraged within the context of collaboration (Roca 2015). The close tie of relationship has increased the efficiency of the collaboration, improved the resource integration, and offered competitive advantages for the partners in the network (Ahuja 2000; Roca 2015; Singh & Power 2009).

Another key operations *capability* identified in both firms is the internal collaboration. Together with the clear and flexible process, empowerment to individuals, cross-functional collaboration has enabled real-time information to travel immediately, both within the firm and inter-firms, and allow for well-coordinated movement of resources in the integration process. As all the aspects of the *offering* reside in different functions, internal collaboration brings them together. Job rotation which is encouraged in organization A, and compulsory in Organization B, also assists internal collaboration as it develops diversity of backgrounds for employees to understand other functions' perspective, builds organizational contact

(Hafkesbrink & Schroll 2010), and fosters internal communication (Van Hoek & Mitchell 2006). It also eliminates corporate bureaucracy resulting in high responsiveness to short lead times. Altogether, it contributes to improved organizational performance (Sanders & Premus 2005).

5.3.4 Organization

Both organizations recognize the role of people in the success of the companies. Role and responsibilities are clear and the empowerment to individuals is in place, while the remuneration is the most attractive in the industries. In addition, both companies are built under a family-like environment where concerns for the employees' personal needs are just as important as their professional development.

Organization B, by nature, is a family business, so the family culture is embedded in the organization since its inception. Organization A purposely builds a family-like culture because it believes employees only commit, dedicate, and devote to the company when they have a sense of belonging, feel attached to the company, and have special bonding with the company. Both organizations design the theme of family for the employees to work together in a warm, "*caring and loving*" atmosphere which is defined as an emotional culture of companionate love (Barsade et al. 2014b). They believe it results in positive emotions in the workplace whereby the employees show they are "*loving and caring*" towards the companies, and their co-workers, leading to pleasant interpersonal interaction, effective internal collaboration, and firm performance. Employees who work in such a culture create close workplace relationships with internal peers, supervisors and upper-level management, feel more satisfied with their jobs, are committed to the organization, and accountable for their performance (Grace et al. 2015).

Research on emotions at workplace is largely neglected (Barsade et al. 2014b). Few research findings mention emotions—and usually as an outcome of job satisfaction or organizational commitment that is variable and indistinguishable from employee attitudes (O'Reilly 2008). However, this study indicates that an employee's emotion is as important as employee's cognition, and the content of the emotions could lead to differential outcomes for employees, and the organization. The outcome of this study supports Bayo-Moriones and de Cerio (2004) that when employees feel they are part of the company—and are respected by others—a sense of belonging is built resulting in diligent workers. Human resources intertwined with human relations—in the forms of personal ties and organizational skills—supported by financial resources are the main *resources* associated with the management dimension of business - in this case the family-like culture, at the two companies. Employees have the feeling of being a part of a family. They express the mutuality between the company and employee, prolonged relational commitment, loyalty, and a sense of belonging. This is the foundation for employees' collaboration, greater efforts, and closer relationships with customers and suppliers for the firm's performance.

Organizational agility, internal collaboration, and collaborative innovation are the key *capabilities* at both companies. These capabilities are facilitated by leaders, as the conduct of top management inevitably influences employees' attitudinal, normative, and control beliefs (Puhakainen & Siponen 2010; Sharma & Yetton 2003). As the executives focus their investment and efforts in supporting social relationships, demonstrating collaborative behaviors themselves, and balancing task and relationship among employees, they create a sense of belonging and community among employees, and foster the organizational culture promoting collaboration. This is supported by (Tsai 2011) who highlights the positive correlation between leadership behavior and organizational cultures .

5.4 Research question 2:

> *How do the different elements of a business model, designed for value co-creation, change in emerging markets?*

The case study reveals that human relations with external and internal partners play critical roles in the process of value co-creation in Vietnam. Both firms engage customers and partners in a value co-creation process based not only on mutual benefits, and business relationships, but also human relations defined as friendship. This has been demonstrated in the principles of partner selection, and how each firm develops and nurtures the collaboration of its network. A partner is identified based on how its resources can integrate with the firm's resources, and how that partner fits into each firm's perspectives in conducting business, and develops along with the firm in the long run. This has also been illustrated in the collaboration of the focal firm and partners supporting each other beyond the agreed scopes of partnership. Networks of suppliers and partners are the main resources of an organization's operations (Baum et al. 2000; Gulati 1998; Storbacka et al. 2012), which engage in value co-creation requiring supply chain management, manufacturing and assembly, management of the delivery channel, and invoicing of delivered offerings (Storbacka et al. 2012). Human relations in external collaboration is not mentioned in the design of the original framework.

Human relations with internal employees is another dimension that both organizations highlight in the value co-creation process. Both companies appreciate the aspects of the emotional wellbeing of employees alongside their competencies in influencing business success. They recognize that employees' feelings, affection, and bonds between themselves and the company impact their way of doing business, influence their social networks at work, and affects the way they cooperate internally and externally. Therefore, both companies have built a work environment showing care and love to each other as kinship which is illustrated in the form of a family-like culture. Storbacka et al. (2012) discount human relations in the design of organization in value co-creation business models and suggested including topics such as organizational structure, roles and responsibilities, metrics, remuneration, and meeting structure. The authors also recognize human resources, not human relations, as the organization's resources. This is another difference the study discloses.

The case findings suggest that in the business models for value co-creation, at the two case firms, employee and partners should be considered as separate dimensions. While the design of the framework—especially operations and organization dimensions—is similar to industrial design (Storbacka et al. 2012) involving the static elements of process, practices, infrastructure, and policies; employee and partner are living personalities, playing the role of key value beneficiaries in the value co-creation process (Grace et al. 2015; Lusch & Vargo

2006). The operations and organization dimensions themselves with the design of structure, key performance indicators (KPIs), and the processes in design are the hardware, requiring partners and employees as the software to bring them to life.

5.4.1 Employee

In the dimension of *employee*, human relations are the core principle of the *design*. The human relations design defines the human connections at work depicting working relations between employees from different functions, between employees and leaders, and between employees and the organization. It covers the topics of workplace emotions, and employee's well-being that affect these relations (Brook 2013; Grant et al. 2007; Page & Vella-Brodrick 2009). The human relations designed for value co-creation needs to address the identification of an employee's readiness to engage in the internal and external collaboration. The main resources associated with employee dimension are the organizational culture, and healthy workplace practices. Research discusses the influences of these on employees' overall well-being and emotions which mould the behaviour of employees in the workplace (Barsade et al. 2014b; Findler et al. 2007; Grawitch et al. 2006). Storbacka et al. (2012) suggest the dependence of co-creation on resource availability. Thus, co-creation initiatives involving employees need to be built on the culture, and practices that support employees to engage in collaboration.

Capabilities related to employee dimension are leadership and management practices. In addition to planning and control, strategy and human resources development (Storbacka et al. 2012), leadership and management requires the capabilities to manage the workplace emotion (Kaplan et al. 2014). Research emphasizes organizational leaders as a strong influence on organizational affective experience (Gooty et al. 2010), and the greatest determinant of employees' emotions (Dasborough 2006; George 2000). A business model designed for value co-creation requires emotion regulation—in the context of employees' response to co-worker emotions and partner emotions—for effective internal and external collaboration.

5.4.2 Partner

In the dimension of *partner*, partner relations are at the center of the design. It outlines how the organization defines its relations with its partners, how the organization re-configures the relations among the network of partners, and how the organization is positioned in those relationships. Research reveals how an effective interfirm collaboration relationship is influenced by the nature of collaborative relationship among partners (Thomas, RW & Esper 2010), and the compatible understanding of collaboration (Nyaga et al. 2010). The partner relationship design for value co-creation requires the relationship quality (Palmatier 2008) to hold each partner together to engage in the collaboration.

The main resources associated with partner relations are organizational culture, relational ties, and relational governance. Research highlights the significant role of organizational culture (Gopal et al. 2016; Parker et al. 2002), relational governance (Whipple et al. 1999), and relational ties (Palmatier 2008) in lifting the barriers to form an effective partnership relationship, to governing the relationship, and enhancing the strength of the collaborative partnership relationship. As resources are the foundation for co-creation (Storbacka et al. 2012), the partner relations designed for value co-creation needs the social context, and the relational assets that enable partners to engage in collaborative activities.

Capabilities related to partner relations are relational capabilities involving human capability, managerial systems-based capability, and cultural interaction capability. Human capability is understood as employees' knowledge, skills and practices in internal collaboration that enable interfirm collaboration. Håkansson and Ford (2002) propose the influence of managerial systems capability on the relationship characteristics comprising of each partner's structures, strategies, resources, and relations. While Johnsen and Ford (2006) discusses the cultural relational capability enabling the firm to manage the diverse cultures of its partners. A business model designed for value co-creation requires the organization to relate to the culture and values of its partners to handle the conflict and inconsistency in its customer relationship for an effective collaboration.

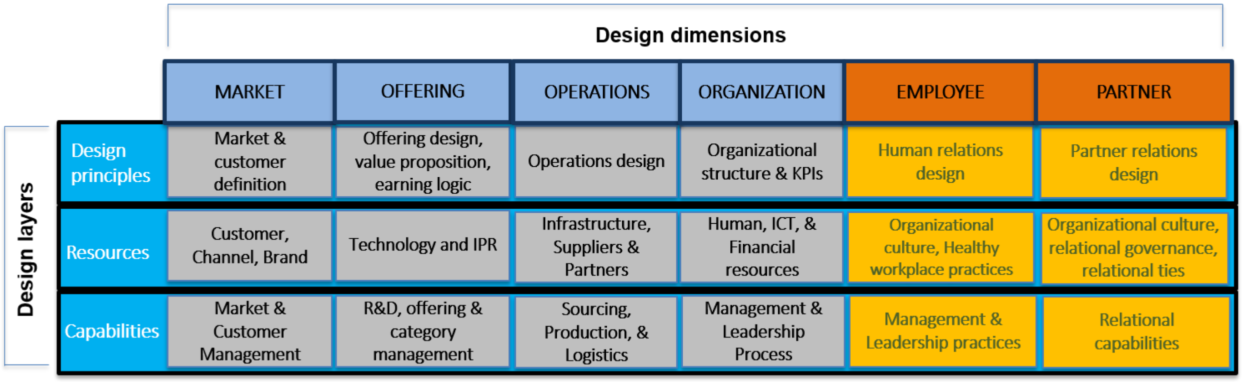

Figure 4: Framework for business models designed for value co-creation in emerging markets

5.5 Conclusion

By relating the findings between the case studies to the framework, the importance of human relations appears to be outstanding in the value co-creation process of organizations in Vietnam. Employee relations play a critical role to form effective internal collaboration which is the foundation for external collaboration. Human relations are defined by employees' emotions which are developed based on the organizational culture. Partner relations are another critical element to define the network of partners. Even though both organizations are completely different in their business characteristics and form of ownership (holding vs listing and family owned vs public), they largely share the same opinion regarding the organizational culture of "*caring and loving*" – which is a family-like culture and its importance in internal collaboration. The companies also share the same view on the friendship relationship beyond the business relationship with partners. This therefore, expands the framework and application of the value co-creation business models.

CHAPTER SIX

CONCLUSION AND IMPLICATIONS

6.1 Introduction

This chapter reviews the main findings for how firms engage in value co-creation process in emerging markets presented in the cross-case analysis in chapter 5. It also discusses the new dimensions in the framework for designing business models engaging value co-creation in emerging markets. The implications of the research for academics and managers are outlined. Finally, limitation and suggestions for future research are offered.

6.2 Main findings

The study suggests that human relations are fundamental units for a firm to engage customers and its partners in a value co-creation process in emerging markets. Human relations are integral to the success of internal and external collaboration which is the prerequisite for purposeful value co-creation. Internal collaboration relates to the integration of resources within the firm, and plays a role as vehicle for sharing and transferring resources in the forms of skills and knowledge of individuals, and functions within the organization (Kogut et al. 1992). External collaboration based on the relational embeddedness demonstrates more effective resources transmitting and integrating (Rindfleisch & Moorman 2001). After all, human relations affect the resource integration of intra and inter firms in emerging markets. Vargo, Maglio, et al. (2008) posit that value co-creation depends on resource integration in the network—hence, human relations impact value co-creation processes in emerging markets.

The study further suggests that business model designed for value co-creation needs to be adapted to ensure the configurational fit of the elements in emerging markets. The revised framework (Figure 4 detailed in Chapter 5), is proposed to include human relations elements and expands from original 12 categories of design elements that sit in 4 dimensions to 20 categories in 6 dimensions.

Human relations related to internal collaboration are illustrated by *employee* dimension. The study shows that *employee* dimension—with the focus on the design of employee's emotions and emotional ties—forms the employees' mindset and behaviour as well as competence toward internal collaboration which leads to effective co-creation. The cooperation, interaction, and integration of resources that forms the resource intensive nature of collaboration requires close relationships among employees that are not simply related to techniques, tools, or process. The findings emphasize the influence of emotion on social relations at the workplace instead. The case studies reveal that employees with positive emotion attain persistence, enhanced cognitive functioning, and altruism in the employee. Under the contagiousness nature of emotion, (Fredrickson 2000; Hatfield et al. 1993) an employee's positive emotions can resonate with other organizational members, and create chains of events carrying positive meaning for other employees (Fredrickson 2000). It enhances social support from co-workers, and transforms people at work into more effective and socially integrated employees (Staw et al., 1994) which predict effective internal collaboration. Employee dimension acts as the enabler for the achievement of intra-actor configurational fit between elements of the framework. It mobilizes resources residing in different functions in the organization—and provides those that fit into the resource-integrated process with the partners in the network. In this process, firms must integrate internally and align externally with other partners in the network (Batt & Purchase 2004).

The research confirms that it is imperative for organizations to have an internal collaborative culture in place to engage customers and other actors in purposeful value co-creation in emerging markets. The research demonstrates that the internal collaborative culture that nurtures employee's positive emotions is a family-like culture. The study reveals that employees' experiences in such a culture significantly relate to their level of workplace engagement (Azoury et al. 2013), develop deep and compassionate relationships and form emotional ties with their co-workers (Kee 2008).

The study recognizes the value of fostering collective culture promoting love and care within groups of employees, and in the organization as a whole, influences the implementation of internal collaboration by moulding the mindset and shaping the behavior of employees. Baron and Hannan (2002) suggest a family-like organizational environment promotes strong, trust-filled, family-like relationships within social networks throughout the organization. Employees are bonded to the firm in a sense of personal belonging and love. As a result, the employee establishes a connection among all employees and a willingness to share knowledge and ideas with co-workers across the firm (Collins & Kehoe 2008). The research shows that the behaviors and mindsets derived from the family-like culture motivate employees to adopt a collaborative approach to acquire new resources, initiate entrepreneurial activities, and identify and solve problems. Employees are also able to interpret resource integration opportunities to better combine and mobilize resources for a particular situation or goal. Thus, the effect of internal collaboration on the process of value co-creation is enhanced. The study concludes that the family-like culture orchestrates interaction among employees, and guides resource integration by taking the role of a facilitator defining specific rules of collaboration for the employee to engage in the value emergence process.

The case studies also indicate that internal collaboration allows this co-creation business model to work in emerging markets by connecting the organization with other partners, and other resources through successful interaction within and across organizations. Employee's collaboration practice shaped by the organizational culture is also reflected when the employees cooperate with other partners in the network. The collaboration practice also encourages employees to develop relational capabilities to cooperate with partners in a collaborative approach in the process of resource integration (Collins et al. 2008). The finding is supported by Lane et al. (2006) who confirm the role of relational capabilities to acquire external knowledge in the network of partners, and to diffuse internal knowledge across the organization.

Human relations related to external collaboration is illustrated by *partner* dimension. The study suggests that the *partner* dimension pays attention to partner relations to identify how the organization reconfigurates the relations among the network of partners. The study is supported by Larson (1992) who argues that the success of a resource exchange in a network is strongly influenced by social factors. Polyvyanyy and Weske (2011) suggest that partner relations are critical for value-co-creation in the network which echo the findings. This dimension involves other partners in a process of collaboration and dialogue by holding each partner together under a collective willingness to mobilize the resources to co-create value. The study concludes the role of partner dimension as the enabler for the inter-actor configurational fit among partners.

As the locus of value creation increasingly resides outside the organizational borders, the inter-actor fit is particularly important. In supporting the resource integration within a network, the research suggests that value co-creation in a network is held together throughout by high levels of trust, as well as relational ties. The trust and relational ties among partners in a network, administer the collaboration by stimulating a collective willingness to mobilize the resources to co-create value to enhance mutual and reciprocating interests. The data shows that the collaboration based on high levels of trust and relational ties sterns the sustained purposeful collaboration that connects organizational capabilities and resources across partners in the network. The sustained purposeful collaboration forms a joint effort to share the risk and benefits of co-creation beyond the contractual mechanisms, particularly in the new, unforeseen circumstances in the process of resource integration.

6.3 Implications for academics and managers

6.3.1 Theoretical contribution

This research thesis focuses on fostering an understanding regarding the evolution from value created and distributed by the manufacturing firm, to value co-created in a network within a different context. As such, the research attempts to respond to a gap in the empirical research on business models (Birkin et al. 2009; Schaltegger et al. 2011) by empirically contextualizing the framework of business models for value co-creation in emerging markets, and demonstrating how it works in practice. The cases offer important insights into some of the actual processes of co-creation in emerging markets.

This study contributes to the literature of value co-creation by developing a framework for organizations to manage co-creation in emerging markets. Thus addressing the research gap identified by Peng et al. (2008), Lusch et al. (2014), and Sartor et al. (2014) to understand business models and value co-creation in emerging markets. It also enriches the understandings of designing business models for value co-creation that is still in an emergent stage (Frow et al. 2015). The case study defines the role of *employee* as the enabler of the intra-configurational fit and *partner* as the enabler of the inter-configurational fit to accommodate elements in the business models for value co-creation, which is unanswered in the original framework (Storbacka et al. 2012). By identifying the niche, the research provides a foundation for an organization to improve the potential for value co-creation.

This study links value co-creation to organizational culture theory (Liz et al. 2011; María et al. 2013) and identifies the emotional culture of love and care as a facilitator defining specific rules of collaboration to orchestrate interaction among employees. This new role of the emotional organizational culture offers a broader lens that highlights the human aspects in which employees can have deep and meaningful relationships at work that guide the resource integration in the value co-creation process in emerging markets. The study provides a new approach to understand how organizational culture enhances value co-creation process in the context of emerging markets. In addition, the discussion of organizational emotions in this research thesis has challenged the current view which places organization cognition at the center stage to understand business models (Doz & Kosonen 2010), and therefore suggests a new avenue for future research in business models in general, and business models for value co-creation in emerging markets in particular.

6.3.2 Managerial implications

The management of co-creative business models requires both new mental models and tools in the context of emerging markets. The study emphasizes that the collaboration for resource integration in emerging markets are not simply techniques, tools or processes; it involves the culture, human relations, and emotions. Accordingly, this case study can support practitioners in better designing and managing a business model designed for value co-creation in emerging markets based on effective internal and external collaboration. Moreover, it offers insights for managers and practitioners on how to develop the organizational culture promoting social and emotional wellbeing to mobilize and enhance the best combination of resources for creating a collaborative, and networked environment. The business model framework with 20 design elements plays the role as the list of requirements for firms to engage value co-creation in the network in emerging markets.

Nenonen et al. (2010) propose that business models designed with a high level of inter and intra configurational fit can improve a firm's value co-creation. The facts that human relation elements directly affect the intra and inter configurational fit of the value co-creation business models in emerging markets will demand management review their management practices in these specific geographical markets. To achieve intra-configurational fit, firms in emerging markets require a strategic approach, and new practices to integrate employee relations with the current human resources practices, encouraging internal collaboration. A higher level of inter configurational fit can be achieved by enhancing the emotional organizational culture that pays attention to employees' emotions. To achieve extra configurational fit, firms first need to develop a deeper understanding regarding how to identify primary customers and partners that are compatible with the firms' business perspective. They then need to set up a special agenda for systematic interaction, and dialogues to foster relational ties, and collaboration.

6.4 Limitations and future research

Important limitations of any study are the personal biases of the researcher. Several authors (Van de Ven & Huber 1990; Yin 1994) point out that different biases must be kept in mind as a limitation for qualitative case study research. The nature of a semi-structured interview allows each interviewee to tell their story in their own words, which prevents the personal biases in this study.

The case study's approach is based on the networked and ecosystem perspective in the process of value co-creation. However, the study is conducted using the firm as a unit of analysis to simplify the discussion of value co-creation process, and focus on developing the new elements of the framework. Future research may validify this framework for designing business models engaging value co-creation in emerging markets in a service network with a network-centric approach, especially to understand how collaboration occurs between individuals from multiple functions, and from multiple partners in the network.

Other limitations involve the number of industries studied, and the generalizability of results. Even though in a case study approach, the unit of analysis does not correspond to a sampling unit—and the objective of using criterion purposeful sampling is not to obtain statistical generalizations but theoretical generalizations (Ellram 1996)—the narrow scope of this study, that is, two firms in a single industry in one country, still permits limited generalizations to be made. The applicability of the research could be improved if a larger number of firms were studied with multiple firms originating from multiple industries in different countries in emerging markets. This would allow for comparisons to be made both within and across industries. Overall, the objective of this investigation is not to generalize but to deepen the knowledge of how firms engage in value co-creation in emerging markets, and how the elements of business models for value co-creation change in emerging markets. Thus, it is assumed that the methodology is correctly applied, despite potential criticisms regarding the lack of statistical validity and representativeness.

Performance management needs to focus on finding new ways to measure value creation, not only for the firms, but also for the overall network of partners. The research shows that emotions directly influence human relations between employees, and between the firm and the partners, and hence, the collaboration to integrate resources in the process of value co-creation. It would be interesting to understand different ways to measure specific emotions alongside the overall emotions that affect internal collaboration and external collaboration. It would be especially worth exploring emotions at various stages when employees engage in collaboration. In addition, a business model designed for value co-creation in emerging markets requires emotion regulation in the context of employees responses to co-worker emotions, and partner emotions for an effective internal and external collaboration. Future studies may focus more precisely on the role of emotional control in maintaining, and enhancing the specific kinds of internal and external collaboration in the process of value co-creation.

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APPENDIX A – ETHICS APPROVAL

NGOC ANH PHUONG LE <anhphuong.le@students.mq.edu.au>

Ethics Application Approved - 5201700099

FBE Ethics <fbe-ethics@mq.edu.au> Mon, Mar 6, 2017 at 4:57 PM
To: Rob Jack <rob.jack@mq.edu.au>
Cc: NGOC ANH PHUONG LE <anhphuong.le@students.mq.edu.au>, Nikola Balnave <nikki.balnave@mq.edu.au>

Dear Doctor Jack,

RE: 'DESIGNING BUSINESS MODELS FOR VALUE CO-CREATION IN EMERGING MARKETS' (Ref: 5201700099)

The above application was reviewed by the Faculty of Business & Economics Human Research Ethics Sub Committee. Approval of the above application is granted, effective "6/3/2017". This email constitutes ethical approval only.

This research meets the requirements of the National Statement on Ethical Conduct in Human Research (2007). The National Statement is available at the following web site:

http://www.nhmrc.gov.au/_files_nhmrc/publications/attachments/e72.pdf. The following

personnel are authorised to conduct this research:

Doctor Robert Jack
Miss Ngoc Ang Phuong Le

NB. STUDENTS: IT IS YOUR RESPONSIBILITY TO KEEP A COPY OF THIS APPROVAL EMAIL TO SUBMIT WITH YOUR THESIS.

Please note the following standard requirements of approval:

1. The approval of this project is conditional upon your continuing compliance with the National Statement on Ethical Conduct in Human Research (2007).

2. Approval will be for a period of five (5) years subject to the provision of annual reports.

Progress Report 1 Due: 6th March 2018
Progress Report 2 Due: 6th March 2019
Progress Report 3 Due: 6th March 2020
Progress Report 4 Due: 6th March 2021
Final Report Due: 6th March 2022

NB. If you complete the work earlier than you had planned you must submit a Final Report as soon as the work is completed. If the project has been discontinued or not commenced for any reason, you are also required to submit a Final Report for the project.

Progress reports and Final Reports are available at the following website:
http://www.research.mq.edu.au/for/researchers/how_to_obtain_ethics_approval/human_research_ethics/forms

1. If the project has run for more than five (5) years you cannot renew approval for the project. You will need to complete and submit a Final Report and submit a new application for the project. (The five year limit on renewal of approvals allows the Committee to fully re-review research in an environment where legislation, guidelines and requirements are continually changing, for example, new child protection and privacy laws).

2. All amendments to the project must be reviewed and approved by the Committee before implementation. Please complete and submit a Request for Amendment Form available at the following website:

http://www.research.mq.edu.au/for/researchers/how_to_obtain_ethics_approval/human_research_ethics/forms

3. Please notify the Committee immediately in the event of any adverse effects on participants or of any unforeseen events that affect the continued ethical acceptability of the project.

4. At all times you are responsible for the ethical conduct of your research in accordance with the guidelines established by the University. This information is available at the following websites:

http://www.mq.edu.au/policy/
http://www.research.mq.edu.au/for/researchers/how_to_obtain_ethics_approval/human_research_ethics/policy

If you will be applying for or have applied for internal or external funding for the above project it is your responsibility to provide the Macquarie University's Research Grants Management Assistant with a copy of this email as soon as possible. Internal and External funding agencies will not be informed that you have approval for your project and funds will not be released until the Research Grants Management Assistant has received a copy of this email.

If you need to provide a hard copy letter of approval to an external organisation as evidence that you have approval, please do not hesitate to contact the FBE Ethics Committee Secretariat, via fbe-ethics@mq.edu.au or 9850 4826.

Please retain a copy of this email as this is your official notification of ethics approval.

Yours sincerely,

Dr. Nikola Balnave
Chair, Faculty of Business and Economics Ethics Sub-Committee
FBE Ethics Secretariat

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APPENDIX B - INTERVIEW SCHEDULE

ORGANIZATION A

Job title	**Date of interview**	**Duration of interview**
CEO (Respondent 1)	17 March 2017	1h 57m 32s
Executive Director – Marketing (Respondent 2)	28 March 2017	1h 17m 31s
Executive Director – Production (Respondent 3)	22 March 2017	0h 41m 27s
Human Resources & Training Manager cum Human Relations (Respondents 4,5,6)	22 March 2017	1h 19m 03s
Dairy Development Manager (Respondent 7)	24 March 2017	1h 49m 50s

ORGANIZATION B

Job title	Date of interview	Duration of interview
Founder cum Chairman cum CEO (Respondent 1)	13 March 2017	1h 20m 26s
General Manager 1 - former Group HR Vice President (Respondent 2)	30 March 2017	1h 36m 13s
General Manager 2 - former Group CFO (Respondent 3)	01 April 2017	2h 22m 41s
HR manager 1 cum Human Relations (Respondent 4)	29 March 2017	1h 13m 53s
HR manager 2 cum Human Relations (Respondent 5)	01 April 2017	0h 54m 28s
QA manager 1 (Respondent 6)	30 March 2017	1h 10m 06s
QA manager 2 (Respondent 7)	31 March 2017	1h 17m 12s
Sales director (Respondent 8)	31 March 2017	1h 17m 46s
Production Director (Respondent 9)	30 March 2017	0h 51m 46s
Production - Vice President (Respondent 10)	31 March 2017	1h 15m 19s
Technical - Vice President (Respondent 11)	01 April 2017	2h 03m 25s
Quality Police Manager (Respondent 12)	31 March 2017	45 m (unrecorded)
Social Enterprise Director (Respondent 13)	31 March 2017	2h 11m 40s