



Co-creation

Happening more often across the board is the idea of co-creation. Although linked to the other three, it is the idea that you are co-creating value together rather than co-creating value as a firm. An example would be P&G innovate, where they take ideas from their customers, suppliers, and all the other stakeholders to inform their innovation process. For innovation to happen, smart people should be working in the organization.

There is no reason to limit innovation to or within your organization. Firms are increasingly realizing that innovative ideas can come from outside their organizations such as their dealers, users, suppliers, or partners. There is no reason you should not leverage the innovative potential of your ecosystem partner and rely only on the firm for innovation when innovation can be user-led, supplier-led, and customer-led as well.

Some people have talked about sharing economy approach within, for example, transportation services like Uber, sharing economy of accommodation, and hospitality services like Airbnb. The shared economy

approach uses consumers as a part of value creation rather than just as recipients. This is seen in a lot of industries where users are used for value creation with many examples of sharing economy.

When it comes to co-creation, the focus should be on co-production and value in use on their Knowledge, Experience, Interaction, Equity, Personalization, or Relationships — as described in detail in the chart below.

The idea of thinking consumers as co-creators is important because:

- In the past, companies thought of customers as targets they could sell things to.
- If we reverse that logic and involve customers in value co-creation, both can create a rich experience and more value for the organization.
- Involving customers in the process creates a much richer experience and at the same time, more value for your organization.



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The real benefits and information lie in the use and interaction of the customer with a product.

Amazon is buying food stores to learn how people shop. To understand the value in co-creation, is to see value in use and co-production and to see how people use a product.

I believe management (executive or academics) should learn more from anthropologists to get a deeper insight into what people do. Organizations deploying tactics to get a deeper insight into what is it that people want and how people interact with their product will win in the long run.

It really boils down to understanding and acting proactively on the fast-changing consumer habits in a customer-centric way. Behavior is changing rapidly forcing businesses to apply their overall business strategy and training employees to meet the demands of a disrupted new normal.



About the Author

Steffen Damborg

Digital Transformation Strategist,
Board Member, Keynote Speaker

Steffen Damborg (MBA) is a digital transformation specialist with 10 plus years of experience in all aspects of running an online business in the media industry. He is a former Digital Director and Chief Development Officer at the leading Danish publisher JPP and is currently focusing on Digital Transformation for global organizations accrued from his knowledge of working extensively in the European market. His digital transformation experience includes different aspects of digital management, strategic development, and emergent approaches towards new sustainable digital business models.

Mr. Damborg holds an MBA degree from Aarhus School of Business and an MSc degree in political science from Heidelberg University/Aarhus University and executive educations from business schools at Harvard and Cambridge. In 2016, Steffen Damborg was appointed Media & Entertainment Group Discussion Leader at Harvard Business School. He has headed numerous digitization projects across several continents.