

Unveiling the curtain of co-creation

An ethnographic study about co-creation process

Organization and Management

Master's thesis

Henna Husso

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Unveiling the curtain of co-creation

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“Life is not linear, it’s organic”

Sir Ken Robinson

Master’s thesis

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ABSTRACT

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Objectives: The first objective in this research is to fill the knowledge gap on co-creation at the base of the pyramid; how diverse actors from different sectors come together and work for the mutual cause of creating inclusive business. Is there a need for NGO partnerships when going into BOP markets and what are the possible challenges, opportunities and benefits in these partnerships? The study tries to answer these questions by identifying the essential features and elements of co-creation on the bases of a literature review and empirical evidence.

Methodology: In this ethnographic study, I have applied methods of free observation (Vilkka, 2006), both non-participatory and participant, in order to gain as reliable research results as possible. Data gathering methods in this study have been video and audio recording with field notes. In addition, a baseline survey and questionnaires were conducted. The analysis of this study was done by coding all the data into themes.

Results: The study reveals several factors that influence co-creation processes, and suggests a new framework for the co-creation processes. The main hindrances found were challenges in relationships, interaction, power relations, cultural differences and organizing challenges in the co-creation process. The main enhancers found were the unique circumstances of this co-creation process and the support the companies got through this process as well as the benefits from the NGO collaboration. Finally, I suggest an ecosystem framework for the co-creation process that allows the process to evolve in an organic way.

Keywords: Co-creation, BOP markets, business - NGO partnerships, ethnography.

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1 INTRODUCTION

1.1 WECONOMY START AND I

Weconomy Start program was born of the need to do something to aid cooperation between different partners to benefit the poor while doing business. Already for some time there had been a group of people in Finland discussing how to combine development cooperation – the grass-root networks and knowledge of local environment–, with Finnish businesses – the potential, skills and speed of doing things. Together Aalto University, Finpro and World Vision Finland decided to take action and pursue the first step to support Finnish companies here in Finland. The concept of Weconomy Start was developed; a program for poverty eradicating businesses in low-income communities. Weconomy Start is based on a slogan "From me business into we business", where working together, participatory innovations and co-creation are key elements. The first table below describes the three Weconomy Start partners and organizations participating the program as well as the locations of their fieldtrips. The second table describes the Weconomy Start partners and their expected responsibilities. It also describes main persons related in this study from these organizations.

Table 1 Partners and participants of Weconomy Start program

Organization	Fieldtrip to
University partner	India and Sri Lanka
NGO partner	India and Sri Lanka
Consult partner	India and Sri Lanka
Entrepreneur 1	India
Entrepreneur 2	India
Education organization	Sri Lanka
Environmental company	Sri Lanka
Housing company	Sri Lanka

Table 2 Organizations and their expected responsibilities

Organization	Responsibilities	Main persons in my cases
NGO	Leader organization of Weconomy Start	Managing director , fin
		Innovation director, fin
		Assistant of management, fin
		High level manager in India
		Local level manager in India
University	Research and knowledge on BOP	Professor
		Thesis researcher
		PhD researcher
Consult organization	Business consultation	2-3 consults in Finland
		1 consult in India

Finnish companies could have a lot to offer to bottom of the pyramid, BOP, markets and BOP communities have significant unmet needs, for example in fields such as energy, water, sanitation and ICT. However, the networking and innovation required to build a profitable venture at BOP can be time-consuming. Weconomy Start is a one-year innovation program designed to ease these difficulties for a group of Finnish companies heading into BOP markets with the intention to co-create new business. It offers companies tailored support from experts in international business, knowledge about BOP markets, access to the local networks and legitimacy that World Vision has built over the decades in its target countries (Weconomy Start program brochure). Partnerships can benefit from settings where a variety of actors from multiple sectors come together because they provide not only different institutional roles and connection but also different resources to the use of these partnerships (Selksy & Parker, 2005). These are the strengths that Weconomy Start program brings together. The table below shows the Weconomy Start program and the agendas of each session.

Table 3 Weconomy Start training and innovation program. Colored events are not included in this study.

Event	Description of the content
Kick-off Day	Launching the program, companies apply into the program
Workshop 1	Understanding BOP business; challenges and opportunities
Workshop 2	Developing business skills for BOP business
Workshop 3	Capacity assesment of the companies, preparing for the first fieldtrip
First field trip	Understanding the local community, ecosystem and the co-creation opportunnities
Workshop 4	Recaping the observations from the field trip, further development of the new businesses
Workshop 5	Meeting entrepreneurs doing business at BOP, exploring BOP case examples and BOP business models
Workshop 6	BOP innovation, further development of the new businesses
Second field trip	
Workshop 7	
Workshop 8	

How I then ended up doing this particular research on co-creation and its process: sheer serendipity with a hint of determination. I have always had a dash of world healer and a tree hugger inside me, so it came natural for me to have an interest of corporate responsibility issues and their social impacts. These elements had already been the guidelines in my studies as a bachelor and later as master student; I did not want that to be any different for my thesis work. I started searching for thesis assignments that would incorporate my interests and after a few months of running aimless and contacting people at all directions, Weconomy Start found me. I did not know what I was looking for and the Weconomy Start crew was not looking for anyone, but this was it. The Weconomy Start project would allow me to have hands on experience of what it is like to start a new business at BOP markets by co-creating a new business plan and with different partners within a program designed for this purpose. This was as close to reality and practice as I was going to get, being a student, to explore what

happens when new, unfamiliar partners are brought together and expected to co-create new business that can contribute to poverty alleviation. I was thrilled, to say the least.

My part as member of Aalto University research team was to observe what happens in Weconomy Start program and furthermore, what happens in the co-creation process it comprehends. Since the co-creation process itself is more or less unknown due to its novelty through the lens of BOP research and the outcome of this particular process was certainly unknown at start, I was not given detailed direction to carry out my research. Rather, I was given a subject, co-creation process, and an opportunity to observe what this process looked like without any expectations to fit it into pre-expected mould. With these instructions, I started observing the process and the people in it, without a premade decision on what to look for or what to expect from it. The Weconomy Start program was a one-year program, but simply due to time and data management, I spent the first half, five months to be exact, researching the process. In other words, the first five months were spent on collecting the empirical data to my research and after that I started to study what the material had to tell me about the co-creation process.

1.1.1 FOREWORDS

Now, looking this thesis experience afterwards, it has been the most interesting and exciting research I have ever made, but also a learning experience I doubt I will ever have again. Besides that fact that I have learned a great deal about how to do an empirical research; gather the material, analyze the data, study literature, I have also learned a lot of myself. This thesis process has given me inspiration in regards to what I want to pursue in the future. I am also grateful for meeting all the amazing people involved in the Weconomy Start program, this project would not have been the same without them. I especially want to thank Minna Halme and Tytti Nahi for all the support they have given me during my thesis process. Thank you.

1.2 BACKGROUND THEMES TO WECONOMY START AND THE NEED TO CO-CREATE

It can be said that the capitalist system is under some sort of changes and business has been viewed as one factor in this by causing social, environmental and economic problems. A common opinion seems to be that business is blooming at the expense of people and communities. (Porter & Kramer, 2011.) Whether as a result to this or not, global poverty has risen as one of the major issues causing wide spread problems all over and public sector has been dealing with this problem for decades. Public sector has thus far been unable to solve the problems of poverty and during the recent years, private sector has moved into the poverty alleviation field as well. BOP markets have been presented as opportunities for private sector. To gain access to these BOP markets partnerships and networking in different forms are offered as solutions from the research field. Working together with different sector partner leads to claims for co-creation and buzz atmosphere forms around it, but how does it actually happen?

1.2.1 POVERTY

According to Yunus (2007) free markets and capitalism have done a great deal of good in countries where they have had a long presence and history, for example countries in Western Europe and North America. Technological innovations, scientific discoveries, education and social life have developed immensely in these areas. But everyone has not gained from this progress the same way. 94 percent of world's income goes to 40 percent of all the people, when the rest 60 percent of the people live with the remaining 6 percent of total income. In addition, about half of the world's population lives with only two dollars or less per every day. (Yunus, 2007, p. 3.) But poverty does not only mean lack of income, more scholars are now redefining poverty to include also the lack of capabilities suggesting that income and consumption are the means rather than the end to what people truly value (Ansari, et al., 2012). Still, by any standard a third of humanity is living in dire economic impoverishment. Theoretical explanations of how poverty emerges and why it persists are as numerous as they are contentious. (Khavul & Bruton, 2012, p. 287.) Regardless of the definition, this modern day poverty has created agonizing problems worldwide and induced countless attempts by governments, international organizations and philanthropies to alleviate and prevent the im-

pacts of poverty (Bloom, 2009). As a consequence, many observers have promoted for grass-roots organizations and business in general, to lead the way to ease the problems of poverty (Bornstein 2004; Dees 2007). Traditionally, working with the poor has been the role of charities, not for profit, and other non-governmental organizations (Pitta, et al., 2008, p. 396). Today, the question of the problem of poverty is still waiting to be answered, but as a general principle, scholars argue that poverty emerges and persists where negatively self-reinforcing economic, political, or social behaviors make change difficult (Wydick, 2008, p. 8) and quite accurately this description goes for most developing countries.

These barriers to change and rising out from poverty have roots in the power of threshold effects, dysfunctional institutions and neighborhood effects that have an influence on the behavior of individuals living in poverty (Bowels, et al., 2006). Specifically, threshold effects occur when wages from a job or earnings from a business remain permanently at a very low level and prevent the accumulation of savings. It has been found that the poor in developing countries find it difficult and often expensive to save. There are few banks interested in their small savings, and there are many immediate and urgent needs that take priority over savings. As a result, those living in poverty cannot accumulate enough capital to invest and improve their productivity. Without this investment capital, gaining scale to reduce unit cost becomes impossible. This effect holds back the growth of most businesses and leaves entrepreneurs operating at subsistence levels (Bowels, et al., 2006). When people have no access to investment capital or when investment capital is prohibitively expensive, even the most obvious opportunities remain unexploited (Bruton, et al., 2011) and this is especially true for the poorest of the poor. Addressing these unmet needs of the poor people at BOP markets is argued to be essential to raising welfare, productivity and income levels enabling BOP households to find their own route out of poverty (Hammond, et al., 2007). Some researchers argue that the optimum way of achieving this route out of poverty is to persuade businesses to establish inclusive growth models (VanSandt & Sud, 2012) working at low income markets.

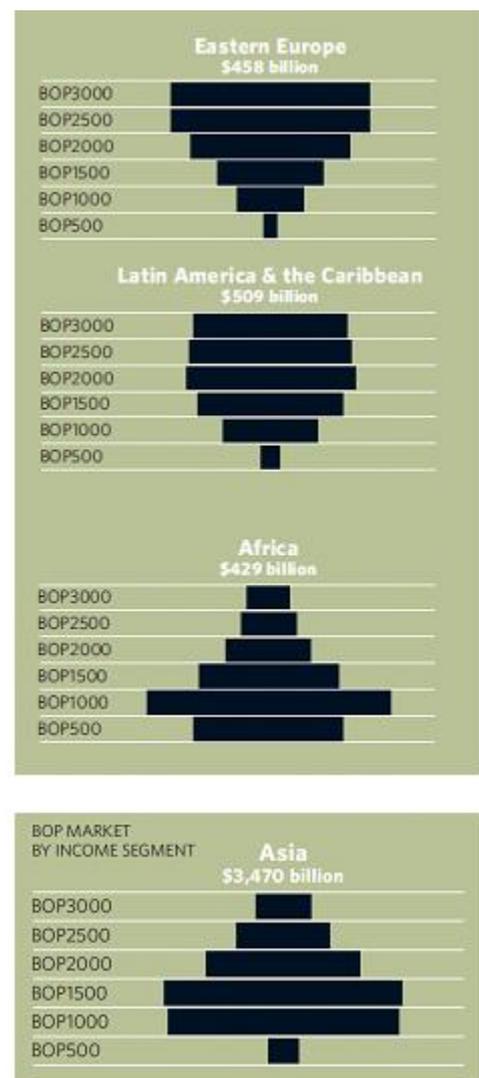
1.2.2 BOP MARKETS

When C.K. Prahalad and Stuart Hart (2002) spotted a possible “fortune at the bottom of the pyramid” they pointed out that most of the global population was poor and their collective purchasing power was both significant and largely untapped by the main stream business sec-

tor. The size of this market alone makes it huge and viable; according to Prahalad and Hart (2002) this is a multitrillion-dollar market. In fact, since there are significantly more people at the bottom of the pyramid, BOP, than there are in the top of the pyramid, TOP, market growth rates can also be expected to be significantly higher at the BOP over the course of this century (Rivera-Santos & Rufin, 2010, p. 126). Since then, great momentum has grown up around the concept of doing business with the poor (Brugmann & Prahalad, 2007; Gradl & Jenkins, 2011). These writings eventually awakened managers to the potential of doing business at the unserved market and alleviating global poverty all the while making a profit (Pitta, et al., 2008, p. 393). This has also led to rapidly growing numbers of small start-ups and social entrepreneurs focusing on BOP markets (Hammond, et al., 2007). Since then companies have started to engage people at BOP in their businesses as consumers, retailers, distributors, and suppliers, while expanding the access of these people to goods, services, and livelihood opportunities (Gradl & Jenkins, 2011, p. 6.) In order to gain success, four elements of BOP commercial infrastructure are needed; creating buying power, shaping aspirations, improving access and tailoring local solutions (Prahalad & Hart, 2002, p. 11). Of course, all these elements are intertwined together, and innovation in one element leverages innovation into the others too.

According to Hammond et al. (2007), the BOP is concentrated in four regional areas: Africa, Asia, Eastern Europe, Latin America and the Caribbean. 12.3 percent of the BOP lives in Africa, 72.2 percent in Asia, 6.4 percent in Eastern Europe and the remaining 9.1 percent lives in Latin America and the

Caribbean. Rural areas dominate most BOP markets in Africa and Asia, while urban areas dominate most in Eastern Europe and Latin America and the Caribbean. Estimates of the size of the BOP in US dollars or buying power approximate \$1.3 trillion. The Asia BOP market

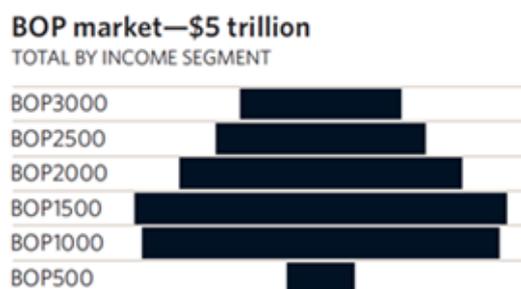


(Hammond, et al., 2007)

Figure 1

has a buying power of \$742 billion, Latin America BOP market is \$229billion, the Eastern Europe represents \$135 billion and Africa \$120 billion. (Hammond, et al., 2007.)

The 4 billion people at the base of the economic pyramid, with incomes below \$3,000 in local purchasing power, live in relative poverty (Hammond, et al., 2007). Their incomes in current U.S. dollars are less than \$3.35 a day and they make up the BOP that in turn constitutes a \$5 trillion global consumer market (Hammond, et al., 2007, p. 3). Although, there is some controversies surrounding the definition and measurement of the BOP (Calton, et al., 2013), the \$5 trillion market estimate is fairly widely agreed on. London and Hart (2011, p. 9) further characterize the BOP as a heterogeneous market with local enterprises operating primarily in the informal economy and therefore it is not so well integrated into the formal global economy, but still constituting the majority of humanity with over 4 billion people. The nature of heterogeneity can take different forms in different parts of the developing world and BOP markets. For example, heterogeneity in a local community can manifest itself as class or, in a rural area as landownership. Even in a village afflicted with poverty, there are rich and poor farmers who are assisted in their agricultural tasks by the landless. In fact there is substantial heterogeneity, in



(Hammond, et al., 2007)

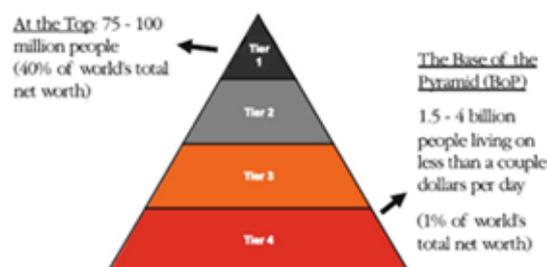


Fig. 1 The economic pyramid. Source Adapted from Prahalad and Hart (2002)

(Calton, et al., 2013)

Figure 2

terms of living standards and landownership, even within a single caste or tribe group living in one village. (Arora & Romijn, 2009, pp. 19-21.) The BOP market entails many more challenges and Calton, et al. (2013) listed a few of them:

- Severly limited income
- Lack of public sanitation facilities
- Scarcity of potable water
- Limited access to basic health services
- Inadequate energy sources and technologies for households: cooking, health, lighting

- Limited education and work or entrepreneurial opportunities
- Poor infrastructure and lack of a "market ecology" to nurture entrepreneurial innovations
- lack of "patient capital" to support the longer gestation period of innovative BOP business ventures
- Rampant public and private corruption
- Poor household stock

To succeed, marketers must be able to differentiate different income segments and their value. Within the various BOP definitions, there are three apparent segments, "under \$2 per day", "\$4 per day", and "\$6 per day". The needs and incomes of the segments seem to differ enough to indicate that they be treated differently. (Hammond, et al., 2007.) The global distribution of BOP customers adds another factor to consider: culture. The cultures of Latin America, Asia, and Africa differ widely. It is logical that differences in culture will affect future attempts to understand the needs of the BOP segments. (Pitta, et al., 2008, p. 397.) Within the BOP market there are large variations across regions, countries, and sectors in size and other characteristic. For example the BOP market Nigeria is concentrated to be in the lowest income segments of the BOP, and the BOP market in Ukraine is again concentrated to represent the upper income segments. Patterns also emerge in spending; as income level rises, the share spent on food declines, but the same time the share spent on housing remains relatively constant, while the shares of transportation and telecommunications tend to grow rapidly. (Hammond, et al., 2007.)

The "bottom of the pyramid" approach has gained criticism also. It's been stated (Arora & Romijn, 2009) that the BoP proposition is merely a product of this period we are living now days riding on the emerging global wave of popular concern about the future of our planet and the fate of the world's vulnerable poor is in the hands of the 21st century global capitalist system, where the corporations are only looking for solutions to structural market saturation and to slow growth in their established home markets (Arora & Romijn, 2009). From the poverty-alleviation perspective, critics have seriously doubted the ability of corporations to raise people's living standards by selling new products or services to them and by generating unskilled employment (Ansari, et al., 2012; Walsh, et al., 2005; Zachary, 2005). They have also questioned whether poor people can increase their quality of life through an improved access to a

wide range of products and services to such an extent that this will pull them out of chronic poverty (Arora & Romijn, 2009). Some argue bluntly that poverty alleviation is just not possible with business-based solutions (Ansari, et al., 2012).

Recently, some researchers have started to argue that business initiatives at BOP should be evaluated on the bases of transferred capabilities to enhance social capital and networking and on the other hand, preserving the existing social capital within the community, rather than purely on income levels. While calling for these social values to be evaluated, researchers also admit that measuring the social value of a BOP initiative can be difficult, and in addition, the social value of the BOP project can be unclear. (Ansari, et al., 2012.) Critics also point some of the blame to research field saying that BoP literature paints a naive view of working with the poor, underestimating the power relationships and hierarchies between the poor and outsiders who administer development interventions. Further, pursuing a “win-win” strategy when entering the BOP, may lead to emergence of tensions when simultaneously trying to achieve these two very diverse goals. (Arora & Romijn, 2009.)

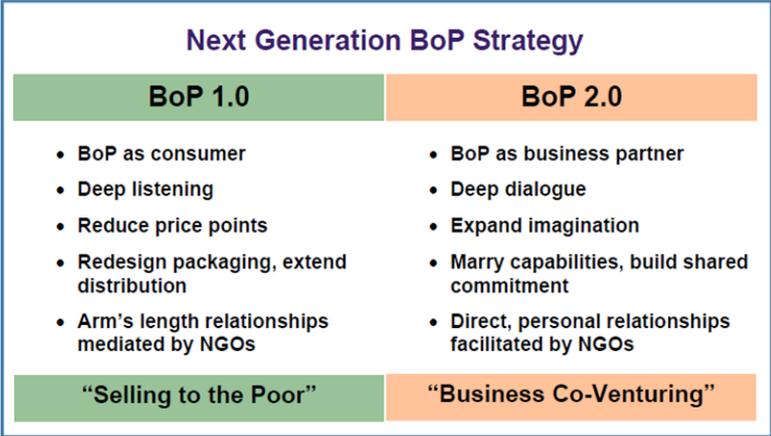
The BOP consists different income levels, as discussed earlier, and criticism is placed on projects that aim at the middle-BoP or higher income-level BOP markets with yearly incomes ranging from between \$1000 - \$2000 (Arora & Romijn, 2009). Besides the BOP criteria about the income levels that has caused discussions, the critics also point out that some case studies have been flouted as BoP schemes fail to meet one or more BoP elements that can usually be found in these BOP projects. For example, some of these studies were not operated by western corporations, such as the Indian Jaipur Foot project and the Aravind Eye Care Project (Karnani, 2007). Karnani's (2007) analysis was also skeptical about the possibilities for big western companies to exploit economies of scale, given the difficulties and high transaction costs of operating in environments without developed infrastructure and modern institutions, and the low margin on each small BoP transaction. Yet, companies are under pressure to bring their BoP ventures to scale up. However, some researchers (Kasturi Rangan, et al., 2007) see that in many such ventures, the true profit drivers lie in volume rather than in profit margin. Further, because of challenges the organizations face in the BOP markets from the institutional and infrastructural deficits, not all BoP ventures can be expected to reach scale at the pace seen in their mainstream counterparts. (Kasturi Rangan, et al., 2007, p. 8.) The main criticism here is that with large BOP projects with also the potential of bigger BOP impact, the focus seems to be finding new consumers and sometimes the end result in this comes at a

lower BOP impact. It can be said from the basis of BOP literature that the less studied option in the BOP field is with smaller entrepreneurs and businesses; smaller BOP projects might better answer to the issues of BOP critics. I would add also that small entrepreneurs may have less pressure with scaling up as their businesses can survive as small businesses with the potential to scale up.

Another topic of argumentation has been whether marketing skills, geared toward getting consumers to buy products, will translate into a system that can produce mutually beneficial business partnerships (VanSandt & Sud, 2012, p. 323). Businesses require a set of four conditions to operate successfully within a market segment; the segment must be identifiable, measurable, substantial, and accessible. In Western economies, business infrastructures are in most segments developed sufficiently to meet all these criteria. While all four conditions are important, it can be argued that the substantial and accessible elements are more important. For a profit-making firm, the segment must be large enough to generate profits and consumers must be reachable by communications media to receive promotional messages. In addition, they need to be physically accessible to distribution channels. In order to gain profits companies usually concentrate on those areas in which they can work effectively, in other words segments that meet all four requirements. From the BOP business perspective, the problem is that companies are not equipped to do business in low income markets; they do not understand what the poor want and they do not know what the benefits they need in products or services. (Pitta, et al., 2008, p. 394.) Good news is that NGOs may be able to understand the objectives and practices of both Western companies and local communities (London and Hart, 2004; Rivera-Santos and Ruffin, 2010; Seelos and Mair, 2007). Still, scholars agree widely that developmental impact cannot be expected without enabling the poor to increase their productive capacity and earning power, rather than focusing on turning them into consumers (Karnani, 2007; Kasturi Rangan, et al., 2007; Zachary, 2005). In other words poverty can be addressed effectively when the aim is to raise consumption by enhancing local production and income generation (Arora & Romijn, 2009). And to do this successfully, one key requirement is to understand the characteristics of the poor people (Pitta, et al., 2008, p. 397).

In 2008 Simanis and Hart presented their view on the next generation BOP strategy. It was designed to better answer to the critique on BOP business and further develop their ideas on BOP strategy. From the strategy perspective, the aim was to update the BOP strategy to better relate to the needs of both, the business organization and the local community by focusing

more on collaboration, partnership and co-creation. The Weconomy Start program based its values onto the same core themes; cooperating with the local community with little middlemen, sharing knowledge and co-creating together.



(Simanis & Hart, 2008)

Figure 3

According to Prahalad and Hart (2002) a few core assumptions of western business views should be re-examined to further understand the potential that lies within BOP. Many companies set the BOP markets aside on the basis of current cost structure thinking that they would not be able to compete in that market and that the poor have no use for their products. Sometimes companies tend to think also that the poor should settle for previous generation technology because only developed market customers will pay for new technologies. Some might also think that managers would not be excited by challenges with humanitarian elements or that it would be hard to find talented managers who want to work in BOP markets. Because of these assumptions, companies may feel that BOP markets are not important for their long-term viability. (Prahalad & Hart, 2002, p. 4.) These assumptions are perhaps best served as pedestals in rethinking what potential there might be in the BOP and how to possibly remodel one's business when venturing to this new market.

A key issue to understand the BOP markets is informality. Weak institutions have created rather acute problems at the BOP (Rivera-Santos & Rufin, 2010); low levels of education, inadequate infrastructure, poorly designed or enforced regulation and more (Gradl & Jenkins, 2011, p. 6). The International Labour Organization (ILO 2002) estimates that more than 70% of the workforce in developing countries operates in the informal or underground economy, suggesting that most BOP livelihoods come from self-employment or from work in enterpris-

es that are not legally organized businesses (Hammond, et al., 2007). In addition to this, a great deal of the trade that currently exists within BOP markets occurs only on a very small, local level (Kistruck, Beamish, Qureshi & Sutter, 2013, 31). As a result of all this informality, transactions are more usually governed by relationships and networks, rather than by contracts (Rivera-Santos & Rufin, 2010, p. 128). The networks itself at the BOP differ from those in the TOP markets. The BOP networks are likely to be less centralized, wider in scope, in general less dense, and they contain more structural holes; networks are more direct and informal, they involve a multiplicity of domains of interaction among network members; the diversity of network members is greater, and the BOP networks are more unstable and unpredictable formally and yet more stable and resilient informally than the TOP networks (Rivera-Santos & Rufin, 2010, p. 136). All this leads to the realization, that market creation and development in these local contexts require a community-building process that can accumulate and leverage social capital invested in the local networks. Bearing all this in mind, attention to the challenges of improving livelihoods at BOP may provide clues on how innovations based on cross-sector collaboration can be further developed to crack the limitations of single-bottom-line thinking at the TOP (Calton, et al., 2013, pp. 730-731).

Though there are several opinions on whether business opportunities truly exist at BOP and what their true size is, there is agreement on that doing profitable business in low income markets will require radical innovations in technology and in creating different business models (Prahalad & Hart, 2002). To achieve this, businesses may need to let go on their current state of mind in regards to what is considered as “accepted knowledge” and “truths” that may not apply anymore. Relying simply on modifying products and selling them to BOP markets is a fairly simple path to failure. Success will more likely depend on knowing the BOP intimately (Pitta, et al., 2008).

With the information we have today, the BOP is still terra incognita in terms of segments and their true needs. To get further in the game, for-profit firms need to understand how the BOP segment differs from upper tiers and change their marketing approaches to reach the consumers at BOP (Pitta, et al., 2008). But, in order to better understand the needs of these BOP consumers, companies need intelligence and knowledge from the field. Collaborating with grass roots agents that have relevant and direct contacts within the BOP field is vital. Further, to be effective, this collaboration must be proactive. Marketers who hope to gain success at the BOP should recognize the importance of alliances with other sectors and reach out relation-

ships with both government and NGO's. (Pitta, et al., 2008.) Scholars and practitioners in the BOP field have begun to recognize the important role that nonprofits' specialized capabilities play in creating and producing this shared value (Hammond, et al., 2007; London & Hart, 2004, 2011; Prahalad, 2005; Prahalad & Hart, 2002). When starting out these relationships, communication is important consideration. The terminology may be similar from sector to another but the meaning might still be totally different. The ultimate objectives of these new partners may also be so different that shared sense of direction can be hard to find. For example, if the goal is poverty eradication at a profit, all the players must collaborate as a team to achieve the same goal. (Pitta, et al., 2008.) Co-creation and co-creation terminology can perhaps serve here as mutual grounds for different sectors to come together in regards of communication. After all, from the experiences of Weconomy, I can say that co-creation depends on mutual understanding of the shared goals and finding common ground where all partners can stand strong.

1.2.3 PARTNERSHIPS AND CO-CREATION

Corporate responsibility and inclusive business have served as pathways to the emergence of discussions leading to broader topics of inclusive business and co-creation joining business and poverty together.

During the past few decades, many nonprofits have started to find more common ground, linked interests and joint benefits through alliances benefiting from companies' resources and assets (Ählström & Sjöström, 2005). Partnerships between businesses and NGOs have become an increasingly prominent element of not only CSR (Seitanidi & Crane, 2009) but also innovating new business in the emerging markets. It would seem that nonprofits have increasingly embraced collaboration with business as means to achieve their missions (Austin & Seitanidi, 2012, p. 734). Researchers have also suggested an inclusive BoP approach that does not push universal values, but instead is sensitive to local context, ensures community participation and empowers the BoP communities (Ansari, et al., 2012).

Companies have become increasingly engaged in poverty alleviating partnerships with NGOs since late 90's (Perez-Aleman & Sandilands, 2008). Especially after the 2002 World Summit on Sustainable Development in Johannesburg, cross-sector partnerships became important

instruments for solving the problems of global development and reaching the Millennium Development Goals (Kolk, et al., 2008). Combining these themes, co-creation has risen as a solution to tackle problems of poverty as well as grounds for new business. Even though interest towards co-creation is evident, research on the subject is still on early stages, particularly empirical ones. This study tries to contribute to that knowledge gap; how does the co-creation process unfold and what are the elements of this process.

1.3 RESEARCH QUESTIONS AND OBJECTIVES

The magnitude and complexity of socioeconomic problems facing societies everywhere has caused business and nonprofit organization partnerships to become increasingly attractive, but, these partnerships have never been well understood (Seitanidi & Crane, 2009), especially in regards of their practice (Selksy & Parker, 2005). Although co-creation has risen to conversations of creating new business and eradicating the problems of poverty as “the new topic”, we still know very little about the very process co-creation itself. How do the processes of co-creation look like in practice, and especially in BOP contexts? Do organizations learn to work and co-create together regardless of their differences in organizational, sectorial and cultural levels? And if so, how does it happen, what does it take and what are the essential elements in it? Does it all come naturally from them, or does the process need molding, and if so by whom? How do different actors in this process of share learning experience and are they able to set up shared goals despite possible power differences? The call for collaboration has grown stronger globally and led to a call for co-creation (Simanis & Hart, 2008). This call has not faded during the last years, but grown again and odds are that collaboration and co-creation will continue to accelerate and become the organizational modality of this century (Austin & Seitanidi, 2012, p. 728).

However strong this call for co-creation has grown, alliance formation as an entry mode into BOP markets remains understudied (Webb, Kistruck, Ireland, Ketchen, 2010, 556). Business model research is also going forward from focusing business models executed by single firms or partnerships aiming only to deliver economic value, into business models that generate social value as well as economic value in a way that these two are reinforcing one and other (Dahan, et al., 2010). Indeed, it has become quite clear among researchers that value creation through collaboration is a central goal, yet it is equally clear that it has not been analyzed to

the extent that its importance would require. Further documentation is also needed to understand how the co-creation process operates, renews, and grows. Benefits of collaboration are quite well researched and rest on strong hypotheses, but there is still a need for thorough empirical research to produce corroborating evidence of these benefits, for example causal linkages for value creation. (Austin & Seitanidi, 2012.) In other words, what is still needed, is further empirical testing and research, ethnographic studies and field research (Dahan, et al., 2010). The same gap persists in innovation process literature as well; integration and collaboration are recognized as important to creation and co-creation but how to achieve this remains a mystery (Koch & Leitner, 2008; Koen, et al., 2001; Lempiälä, 2011). My study tries to fill this gap; field-study that documents specific value creation pathways. The focus is on the elements of co-creation, how to create synergistic value and to further understand the co-creation process itself, which is also where answers are most needed within the research field. Also, there is some research done on the collaboration between multinational companies and NGOs (Van den waeyenberg & Luc, 2012), but very little between small-medium sized companies and NGOs, which is the scale of the companies in this study.

In sum, the research gap this thesis study tries to fill lies mainly in the partnership and co-creation literature in regards of the co-creation process and its practice. How does co-creation look like and what happens in real life within a co-creation process? What kind of elements does it encompass and what are the activities needed in it? There seems to be a repeating claim for cooperation and collaboration across literature, but how to do this successfully? What are hindrances and enhancements in co-creation?

The overall objective in this study is to try to fill the knowledge gap on co-creation. The first objective is to study how diverse actors from different sectors come together and work for a mutual cause. I try to answer to this by capturing the essential features and elements of co-creation from the bases of my literature review and the empirical evidence from this research. The second objective is to study whether there is a need for NGO partnerships when going into BOP markets. Weconomy Start program shows one way of doing all this and my goal is to study the co-creation process within it.

1.4 DEFINITIONS

The following key terms are defined next: BOP, inclusive business, NGO, co-creation and ecosystem.

Base of the pyramid, **BOP**, markets are often physically located within least-developed countries and the more rural regions of developing and emerging countries (Prahalad & Hart, 2002). These markets consist of the nearly four billion people, or 70% of the world's population, that live on 3.35 dollars per day (Hammond, et al., 2007). According to Prahalad and Hart (2002) the low income market refers to the same population as the BOP. There is some variance in what scholars consider to be the exact boundaries of BOP markets. Some scholars suggest the boundary includes markets of consumers who live on average with less than two dollars a day with annual income of less than \$1,500 (Prahalad & Hart, 2002), whereas the World Resources Institute states that BOP markets are markets composed of consumers with an average annual income of \$3,000, scaled to 2002 U.S. dollars (World Resources Institute, 2007). Further, countries like Brazil and India, which are still widely considered as developing countries, may have areas with striking contrasts between different regions. Therefore defining a market into developed, developing, or BOP does not depend on the country's boundaries, but on the market characteristics. (Webb, et al., 2010, p. 556.)

Inclusive business means that companies engage people living at the BOP into corporate value chains as consumers, producers, and entrepreneurs. Inclusive business usually find gaps in the BOP markets, or work around them. (Gradl & Jenkins, 2011, pp. 5-6.)

NGOs vary quite much in terms of their size, topical coverage and geographic scope. They also come in all sizes from very small, local organizations to large multinational organizations. NGOs also represent equally diverse range of organizational interests; from example environmental protection to economic development and human rights issues. (Doh & Teegen, 2002, p. 668.)

As more and more businesses experiment in BOP markets and NGOs' are gaining more attention from the business' perspective, these actors have increasingly started realizing each other's limitations and strengths. This has led to the discovery of long-term partnerships between the two sectors based on **co-creation**. Co-creation means not only sharing resources

and capabilities with each other, but also producing mutual value and even developing integrated business models. (Brugmann & Prahalad, 2007.) In this research co-creation is also referred when this long-term partnership leads to new business created in collaboration with business and NGO partners, even though the NGO would not be a long-term part of the actual new business model.

The definitions of an **ecosystem** vary widely from a loose framework definition to a formal network with mutual goals. One definition for a BOP ecosystem states that it is a “framework that allows private sector and social actors . . . to act together and create wealth in a symbiotic relationship” (Prahalad, 2005, p. 65). Members of an ecosystem can be quite random, for example the ecosystem can depend on constant flow of new work force, or they may also be formal partners working closely together towards common goals with intertwined stakes (Reficco & Márquez, 2012, pp. 516-517). Ecosystems have an agenda addressing “the traditional objectives of sustainable development and poverty alleviation through wealth creation”, but at the same time they create mutual value in other forms that the members find beneficial (Reficco & Márquez, 2012, p. 517).

1.5 STRUCTURE OF THE STUDY

The structure of the thesis is organized in six main chapters, out of which the first one gave an introduction to the background themes of the study and to the subject of the study itself. Chapter two gives an overview of the relevant literature and research topics. In chapter three I describe the research approach, data collection methods and analysis, validity and reliability of this study, as well as explain the limitations. Findings are presented in chapter four by using the data analysis themes of the empirical material. Chapter five takes the analysis into a deeper level of discussion and finally chapter six highlights the key points of the discussion concluding the study with further suggestions.

2 LITERATURE REVIEW

In the heart of co-creation are partnerships. Therefore, the starting point in this review is literature on partnerships, and especially those involving NGOs as they are usually seen as an important actor in successful co-creation. To further understand the process of co-creation, this is followed by a short review of innovation processes, as co-creation is one approach to innovation. The co-creation process has not been a subject of too many studies and so far there is only one view that has gained more attention which will be recapped. Finally, I review literature on ecosystems, as I see that it offers a basis for a deeper understanding of co-creation processes.

2.1 PARTNERSHIPS

2.1.1 THE NEED FOR PARTNERING

For a long time, low-income markets have been mainly the focus of governmental institutions and the public sector, while private companies have considered them as inaccessible and unprofitable for business activities (Prahalad, 2005). Constraining conditions such as poor infrastructure, non-existent distribution channels, shortage of money, illiteracy, corruption, lack of enforceable legal frameworks and violent conflicts are few of the main reasons why companies have shied away from low-income or BOP markets (Kolk & Lenfant, 2013). In sum, environmental conditions are substantially different from those in high-income markets (Hammond et al., 2007; London et al., 2010), and the lack of market information is a constant challenge (Schuster & Holtbrügge, 2014, p. 189).

If and when firms enter BOP markets they often do not understand the specific needs of low-income customers (Pitta, et al., 2008). In the BOP literature, the majority of scholars opine that companies do not have appropriate resources in order to respond to local customer needs as these organizations have largely ignored BOP markets and have not developed a commensurable knowledge and resource basis (Dahan et al., 2010; London and Hart, 2004; Pitta et al., 2008). To overcome these knowledge deficits, firms may rely on partners that are more experienced in this context. Governmental and civil society partners are involved in the alleviation of poverty and sustainable development programs in BOP markets and have field workers

who have first-hand experience of the cultural specificities and living conditions of the BOP population. (Schuster & Holtbrügge, 2014.) Regardless of the particular focus, almost all studies stress the argument that firms have to overcome unique challenges when entering and operating in BOP markets due to conditions that substantially differ from those of high-income markets (Kraemer and Belz, 2008; Rivera-Santos and Rufin, 2010a; Webb et al., 2010).

An emerging consensus points to the fact that partnerships are none the less critically important for initiatives at BOP (Reficco & Márquez, 2012, p. 512). When talking about different partners, it is common to differentiate between business, government and civil society partners (Schuster & Holtbrügge, 2014; Selksy & Parker, 2005). Due to the specific roles these partners have, each category of cooperation partner has developed unique experience; knowledge and resources that delivers outcomes surpassing those of any one sector acting in isolation (Heuer, 2011, p. 214), and thus enabling firms to cope with the challenging conditions in BOP markets. Kolk, et al. (2008) categorize three types of partnerships that can be distinguished: at the micro, meso and macro levels. Micro partnerships are primarily project-oriented and focus on a particular country or specific activity; meso-partnerships aim to improve the sustainability of a certain sector or supply chain; while macro-partnerships have broad objectives, define issues widely, address multiple interests and therefore also cover several countries or global activities. (Kolk, et al., 2008.) Still, if profitable partnerships are willing to work beyond maintaining the status quo and address poverty, they need to make sure that the poor are included in these partnerships (VanSandt & Sud, 2012, p. 325). In my opinion, strengths of an NGO partner lie also here; at the core of their agenda is to benefit the have-nots.

There are many points of views from where partnerships have been studied. Seelos and Mair's (2007) study of the role of partnerships as an integral component of business models at the BoP analyzes resource creation and acquisition through alliances. Kolk, Tulder, and Kostwinder (2008), in their analysis of cross-sector partnerships for development, study the activities conducted through these partnerships. Rondinelli and London (2003) assess the necessity of cross-sector collaboration and highlight the difficulty of partners with different governance structures to communicate, echoing discussions from the broader partnership literature (Rivera-Santos & Rufin, 2011). London and Hart (2011, p. xi) reframed Prahalad's insight into direct global business enterprise toward "creating a fortune with the base of the

pyramid” rather than “at the bottom of the pyramid”, a shift in language that requires a recalibration of strategic focus in business, according to Calton, Werhane, Hartman and Bevan (2013, p. 721). This shift seems to also indicate that the orientation in partnerships would be heading from traditional partnerships to co-creation cooperation. Finally, Rivera-Santos and Rufín (2010) analyze, among other things, the relationship between institutions and collaboration at the BOP, but focus on networks and ecosystems rather than partnerships. This is also the direction that this study heads towards; marrying ecosystem development and co-creation.

2.1.2 BUSINESS – NGO PARTNERSHIPS

NGOs come in all shapes and sizes; they vary in terms of size, topical coverage, and geographic scope, from local grass-roots organizations to large multinational organizations. NGOs also vary in terms of their agenda, representing issues ranging from environmental protection, economic and industrial development to human rights and many more. (Doh & Teegen, 2002, p. 668.) The missions NGOs have, may lead them to partnering with various organizations from different sectors. Typically, these initiatives with nonprofit organizations still entail engagement that mostly welcomes corporate involvement as a source of additional funds. (Berger, et al., 2004, p. 58.) Besides monetary recourses, the goal with these joint efforts is to find complementary capabilities for both parties in areas like knowledge, reputation, brand, human capital and market access for example. For corporations, these new capabilities can help them to identify markets shifts and even co-develop innovative new business models. These different types of partnerships may also answer how to adapt existing, or develop new, products or services that are suited for the local context at BOP when critical information is difficult to acquire, distribution almost inaccessible and brand awareness with social reputation hard to come by. (Dahan, et al., 2010, p. 327.) Although these corporate social initiatives and different types of partnerships have become familiar phenomena, many of these are still experimental efforts with a steep learning curve. Only few have managed to span the boundaries between the corporate and nonprofit sectors successfully. Typical challenges in cross sector partnerships are different views on goals, objectives, values, cultures, strategies, management styles, and operating approaches, to mention a few. Still, some of these relationships have thrived into a close and mutually beneficial, long-term partnerships. (Berger, et al., 2004, p. 59.)

Doh and Teegen (2002, p. 669) predicted accurately the direction NGOs are heading in the international institutional setting; “as NGOs become more successful in growing their membership and developing sophisticated networks to effect change, they become more integrated into the institutional environment in which they operate..”. And indeed, it can be easily argued that NGOs have gained more “voices” to back their agendas during the last decade or so; more and more people are involved with NGO activities, whether it’s through volunteer work, financial support or spreading the message via social media. Further, it can be argued that NGOs are starting to leverage this movement and getting more interested in business settings in order to meet their objectives. To summarize a few steps leading to this point; NGOs emerged at first as the regulators of corporate sector filling the gaps the governments left behind, after a while companies started investing in developing expertise to cope with NGOs and now, markets are emerging as an arena where companies and NGOs interact (Brugmann & Prahalad, 2007). The fact seems undisputed; business world is growing interest towards NGOs and these two worlds seem to be further advancing towards each other.

While the strategic management literature emphasizes the importance of business-to-business relationships, the BOP literature suggests that firms should not only rely on market partners, such as suppliers, customers or financial institutions, but should expand their networks across sectors and cooperate with NGOs, non-profit organizations and local governments (Hart and Sharma, 2004; London and Hart, 2004; Prahalad, 2005). Prahalad (2005) goes even further to argue that partnering with an NGO is necessary for a BOP initiative to succeed. And indeed, cross-sector partnerships are increasingly becoming an essential strategic tool for organizations in BOP.

The operating and regulatory environments in developing countries can be quite challenging (Hammond, et al., 2007) and many authors see that companies can benefit from NGO partners’ resources, competencies, market knowledge, networks, sourcing ability, trust of local gatekeepers and legitimacy, to mention a few (Dahan, et al., 2010; London & Hart 2004; Hart & Sharma 2004; Schuster & Holtbrügge, 2014; Seelos & Mair 2007). Some research findings also recommend that private companies in BOP markets would especially benefit from establishing relationships with NGOs if they are challenged to meet customer needs (Schuster & Holtbrügge, 2014). The contribution of the non-business partners mostly lies in non-tangible assets, such as information and know-how, local access and social capital, rather than in producing products physically (Hahn & Gold, 2013, p. 22). There is also evidence that cross-

sector partnerships support firms in adapting products, services and business models to meet the conditions in BOP markets (Schuster & Holtbrügge, 2014, p. 199). Further, these market conditions seem to need different types of skills that some organizations lack, but that can be developed through these partnerships (Seitanidi & Crane, 2009, p. 424).

NGOs with field presence and positive engagement strategies may help companies in building community relations, shaping their partnership portfolio or finding a new business focus (Kolk & Lenfant, 2013). Some studies also show that NGOs can contribute to the company's market research, product R&D, distribution and new business model development (Dahan, et al., 2010). NGOs usually have relationships and deep knowledge on local conditions, networks and actors that can also serve as entry points to these BOP initiatives (Kolk & Lenfant, 2013). As NGOs work with the local community and come to understand the local informal institution they gain trust that evolves over time into legitimacy (Teegen, Doh, Vachani, 2004) and companies may gain this trust and legitimacy through relational ties with NGOs. Because NGOs have already been present years in these poor regions through their social efforts "they understand local the institutions, they legitimate modes of operation and beliefs regarding the value of certain product and service features, and the daily norms of local citizens" (Webb, et al., 2010, p. 565). By being this highly embedded in the informal institutions and other networks (Pitta, et al., 2008), NGOs can mobilize key resources and other means to support business opportunities that in other case would not be easy to access because of the informality of the market (Webb, Kistruck, Ireland, Ketchen, 2009, 567; Chesbrough, et al., 2006). However, there may also be some risks in business-NGO partnerships, especially in regards of the trust these NGOs have worked hard for. NGOs, which rely on legitimacy for their activities (Doh&Teegen, 2002), face the risk of losing this legitimacy if one of their possible partners behaves opportunistically (Rivera-Santos, et al., 2012). Therefore, nonprofits may fear losing their autonomy or identity in these types of partnerships (Heuer, 2011, p. 214). Simple lack of experience, trust and communication may also sometimes result in conflicts (Dahan, et al., 2010, p. 336). Still, in any partnership trust among each partner plays a vital role, and is bound to be a crucial element in the possible success of the joint efforts. Which is also why having a win-win mindset is important; a belief that projects can create mutual value, benefiting both the poor and the company (London, et al., 2010).

Customer needs in BOP markets differ significantly from those in high-income markets. By definition, a main characteristic of low-income markets is the low and irregular income which

is linked to limited purchasing power and little chances for money saving in regards of large investments. Therefore, new combinations of price and performance have to be offered to make products and services attractive and yet affordable. (Hammond, et al., 2007.) In order to be successful in BOP markets, it is argued that firms require a deep understanding of the role that their products or services play in the daily life of these low-income consumers, meaning that they must satisfy basic needs and improve the individuals' life while remaining affordable (Anderson & Billou, 2007). In the study conducted by Schuster and Holtbrügge (2014) the result was that only civil society partners help firms to meet these customer needs in BOP markets due to the fact that NGOs succeed in reaching poor people and have greater latitude to attempt untried approaches, than for example governmental efforts do.

Besides customer needs, low-income markets differ substantially in terms of market conditions. In developed markets, information about the local economy, institutional and infrastructural characteristics is easily accessible. In low-income markets, however, even basic information such as personal data or credit history can be very hard to obtain as, for example, ID cards or registers are missing. (Prahalad, 2005.) Another barrier for business activities in low-income markets is the share amount of underdeveloped infrastructure. However, NGOs can help companies in dealing with these harsh market conditions since they usually have local knowledge, resources and networks that can aid in reducing costs, increasing legitimacy and navigate through the voids of market infrastructure. NGOs may also help with gaining wider local customer acceptance and trust. (Schuster & Holtbrügge, 2014.)

2.1.3 THE PROCESS AND ROLES OF BUSINESS – NGO PARTNERSHIPS

The study of Kolk, Tulder and Kostwinder (2008) shows that that each partnership is different with different partners, locations and objectives. Nevertheless, most partnerships go through largely similar stages, thus allowing for a comparable analysis of the various dimensions or elements of the process. These were labeled as (a) input: the means necessary to carry out the process, which can be either of a material (money) or immaterial nature (knowledge; (b) throughput: that depend on the (1) number and nature of participants, (2) the roles that can be adopted by the participants, (3) the arrangement and degree of internal dependencies chosen, which in turn is influenced by (4) the position of participants as primary or secondary stakeholder in the project; (c) output: such as goods and/or services, but possibly also in redefined

goals for the partners due to the accumulated experiences in the project. A first output criterion is the extent to which the individual objectives of each participant have been achieved. A second output criterion is the extent to which the project objectives have been achieved. Finally, the sustainability of the project is an important criterion. Did the partnership bring about sufficient goal-alignment to make it sustainable? What are the possibilities to scale up the project? The sustainability of the project can also be dependent on the 'exit' possibility for certain participants. ; and (d) outcome: The changes, benefits and results brought by the partnership on the wider society can be seen as the final and ultimate outcome (d) of the partnership process. (Kolk, et al., 2008, p. 271.) As the partnership and co-creation process share similarities, elements of Kolk, et al.'s partnership process (2008) concerning input and throughput stages were also used as basis for analyzing the material of this particular thesis research. I also tried to go beyond the partnerships in this study and examine the first part of the Weconomy process from the view point of co-creation, and gain more depth and details around this process to further the theoretical discussion about partnerships, co-creation and their usefulness in business.

Business organizations, non-profits, governmental agencies, and communities increasingly realize the value of collaboration with organizations from other sectors as a means to access key resources they do not possess, and to pursue objectives they could not achieve on their own (Austin & Seitanidi, 2012; Kolk, Van Tulder, & Kostwinder, 2008). NGOs generally fulfill two roles: as a watchdog but also as a full-fledged partner. BOP partnerships aim to share resources, knowledge and capabilities so that there is joint value creation and a 'we' spirit rather than 'us versus them' mentality (Kolk, et al., 2008, p. 264). At the same time, organizational logics that can differ greatly from sector to another, can also make collaboration challenging (Dahan, Doh, Oetzel, & Yaziji, 2010; Rivera-Santos & Rufín, 2011; Selsky & Parker, 2005). Though partnerships are treated as a panacea, understanding of business-NGO partnership processes has not yet advanced proportionately. Only a few articles have addressed partnerships in BOP markets in a detailed way (Dahan, et al., 2010; Rivera-Santos et al., 2012).

In summary, NGOs' knowledge of local institutions allows them to provide knowledge about the BOP context, reduces sources of uncertainty and perceived costs resulting from the institutional distance between business and BOP markets (Webb, et al., 2010, p. 566). The question is, however, to what extent the knowledge of partners (or employees) in the field becomes knowledge for the companies, how does the company use this knowledge and how the

companies transfer the knowledge to the right people within the organization (Van den waeyenberg & Luc, 2012)? This is exactly why understanding the process of co-creation, where mutual learning is created, is important; it may help us to answer these questions.

2.2 CO-CREATION

2.2.1 CO-CREATION MAKING ITS WAY TO FOREFRONT

The opportunities for co-creation of value due to resource complementarity are abundant (Austin & Seitanidi, 2012, p. 734). This is also why the emergence of the four billion people who make up the BOP market can be an opportunity for many who seek new opportunities. In addition, it represents a chance for different sectors, business and civil society, to work together for a common cause. (Prahalad & Hart, 2002.) Still, some argue that the legitimacy of business has fallen drastically during recent times and that a big part of this fall is due to business and companies. This is because companies have been viewing value creation narrowly and optimizing only short term financial performance while forgetting the long term success. A solution could lie in creating shared value so that both economic value and social value are created from the needs of society and realizing that societal needs, as well as economic needs, define markets. (Porter & Kramer, 2011.) In business some have already seen the potential of this and low-income markets in emerging economies represent a future direction also in strategic management (London & Hart, 2004). However, this new approach naturally requires new skills and knowledge from managers and leaders about these societal needs, the bases of the business itself and the ability to collaborate across boundaries of profit and nonprofit. Collaboration is a key element here, since while other opportunities are possible for a company to achieve solo, others will benefit from the skills and resources collaboration brings. (Porter & Kramer, 2011.)

In the context of collaboration, value can be created by “the independent actions of one of the partners, which can be labeled as sole creation, or it can be created by the conjoined actions of the collaborators, which can be labeled as co-creation”. The search by nonprofits and businesses for greater value creation together has acted as an impulse for the emergence of cross-sector partnerships. Each sector’s understandings of the other’s unfolding conceptions and approaches to value creation and collaboration are essential to co-creating value in the future.

(Austin & Seitanidi, 2012, pp. 729-731.) Business initiatives that are build on these different types of social capital are also likely to generate diverse learning environments and can lead to transferring these new capabilities to the partners involved (Ansari, et al., 2012). In other words, each partner benefits more when the other partners bring resources, capabilities and assets that are hard to gain access on their own (Dahan, et al., 2010, p. 330). To the BOP communities these capabilities and opportunities that come along can be vital.

BoP practitioners are now turning towards more bottom-up methodologies of local co-creation and innovative solutions to poverty problems through interactive learning in close dialogue and partnerships with the poor and other stakeholders. Some researchers go even further saying that this more organic view of innovation as “socially-constructed learning and capacity-building processes must be driven by local needs in order to be successful”, and if these needs are neglected they may lead to lack of impact as well (Kandachar & Halme, 2007). This view is supported by researchers arguing that business models in developing country or BOP context will indeed remain incomplete unless they address the local needs (Dahan, et al., 2010, p. 330). Yet, some of the more skeptical scholars are still waiting for whether these locally grown solutions to have the potential for broad up scaling across different communities, regions and countries. A common challenge with large scale BOP projects is often that BOP requirements for locally-targeted products or solutions cannot be met with business models that the bigger companies are more familiar with. (Arora & Romijn, 2009, p. 12.) Furthermore, the co-created BoP solutions require a business model that involves and empowers the poor as entrepreneurs and value producers, rather than just pushing new product to the markets that keep the poor in the role of passive consumer (London & Hart, 2004). Co-creation as a topic has generated a lot of interest among scholars and business and this bottom-up approach raises hopes for new developments.

In order to succeed in any business relationship that has to do with co-creation and partnerships in BOP markets, it is essential to learn how to work with people who may not have the same education, economic background or even the same end goals. When venturing into a new location, local insight is very important and usually it requires networking and relationships at the local level with for example local firms, NGOs or even government. (Prahalad & Hart, 2002.) Bruggmann and Prahalad (2007) found in their research that companies that had been successful in BOP markets had indeed done so by leveraging from the networks, competences and business models developed partly by NGOs, or CSR initiatives. In nutshell, “inno-

vation at the BoP must be a co-creation process based on extensive participation and partnership, involving deep dialogue, openness to experimentation and mutual learning” all the while aimed at building local capacity. This part of the new business formation at BOP is the arena where a company has to get down to the grassroots level of doing business in a particular new environment in which they have to face new networks, alliances and local social frameworks. (Arora & Romijn, 2009.) London and Hart (2011, p. 366) came to the same realization in their own research; companies need to develop capabilities in social embeddedness in order to understand and leverage the strengths at BOP. Arora & Romijn (2009) suggest that the best chance to realize BOP projects and making a dent in poverty level is to first understand and then gradually confront the local power relations. Getting embedded in the local situation brings also the risk of getting caught up in community conflicts but then again this is what genuine exploration usually means to ensure that no one is excluded. (Arora & Romijn, 2009.)

Sustainability enhancing innovations stand little chance of being adopted if they are not rooted in a deep understanding of what it means to make choices while living in poverty (Khavul & Bruton, 2012, p. 297). Companies need usually actually stay in local BoP communities for some time to get to grips of local problems, pressing needs and ways of doing things (Simanis & Hart, 2008). In order to truly understand the local conditions, a host of parties such as local governmental agencies, NGOs, other types of civil-society organizations must be involved as co-creation partners. All these parties bring unique knowledge, skills, assets and experience to the table. However, how these extremely diverse partners work together and increase welfare for everyone is yet to be answered. (Arora & Romijn, 2009.) Achieving extensive participation by a range of highly diverse partners, then, is considered to be the ultimate the key to success at the BoP and to the successful replication of those effective business models in other communities. (Simanis & Hart, 2008.)

Some researchers argue that quite a few corporate BoP strategies venturing into BOP markets have failed to hit the mark. Many companies choose to take short cuts by pushing company’s reformulated and repackaged products onto shantytown dwellers and rural villagers producing sales in the short term. But looking the situation from a sustainable stand point, this strategy is likely to fail because the business will probably stay alien to the local communities. Rather than creating these “one-size-fits-all” or elsewhere than locally created solutions, pursuing learnings from bottom up seems to be more successful. (London & Hart, 2004.) These short

cut- strategies have also raised the critics concerns that they are no more than attempts to sell the poor by turning them into consumers and thus believing to have raised poverty's fundamental problems. Further, what these short cut strategies at BOP may have missed is that surviving the long run at the BOP requires an embedded process of co-invention and business co-creation. This type of process brings corporations into close and personal business partnership with the BoP communities enabling them to listen and starting a dialog leading to shared commitment and mutual learning. NGOs have an important role in this process as mediators bringing business and poor people together. The overall goal in this process is to build a BoP business that would create enduring community value as well as long-term corporate growth and innovation, and in order to get here corporations need to acquire an entirely new strategic processes and corporate capabilities. (Simanis & Hart, 2008.) To sum, this mere tapping into the BOP markets is not enough; surviving there needs to sprout from co-creating these new businesses from local bases and real needs which also answer to the real market need. There are still hopes of firms with capabilities in social embeddedness that may be in a position to create strategies for more inclusive capitalism that will address both the growing opposition to globalization and the limitations of global resources (London & Hart, 2004, p. 367).

2.2.2 UNDERSTANDING CREATION PROCESSES

To understand how creation processes works, I now shortly recap two examples of innovation processes and explain the similarities of those compared to co-creation process outlined by Simanis and Hart (2008). Elements and the logic behind these processes can be used to understand co-creation further. This is then followed by taking a closer look at this co-creation theory of Simanis and Hart that has gained a lot of attention and many are now following the footsteps given here.

In this model below, new product projects are born as ideas, moving through screening, project definition and business analysis steps, leading eventually into product development. These early steps, up to product development, are the predevelopment or up-front activities (Cooper,1988, 238.) In Cooper's (1988) model for new products he stresses the steps taken before the actual development of new products. This is because Cooper (1988, p. 237) found that more and more evidence seemed to point to fact that predevelopment activities in these new product process were undervalued; these early stages where actually factors where suc-

cess and failure were largely decided. This simple model shows similarities to co-creation process and points to the important fact that the actual co-creation process also starts well before developing new products, business models or strategies and the steps taken here are crucial to end result.

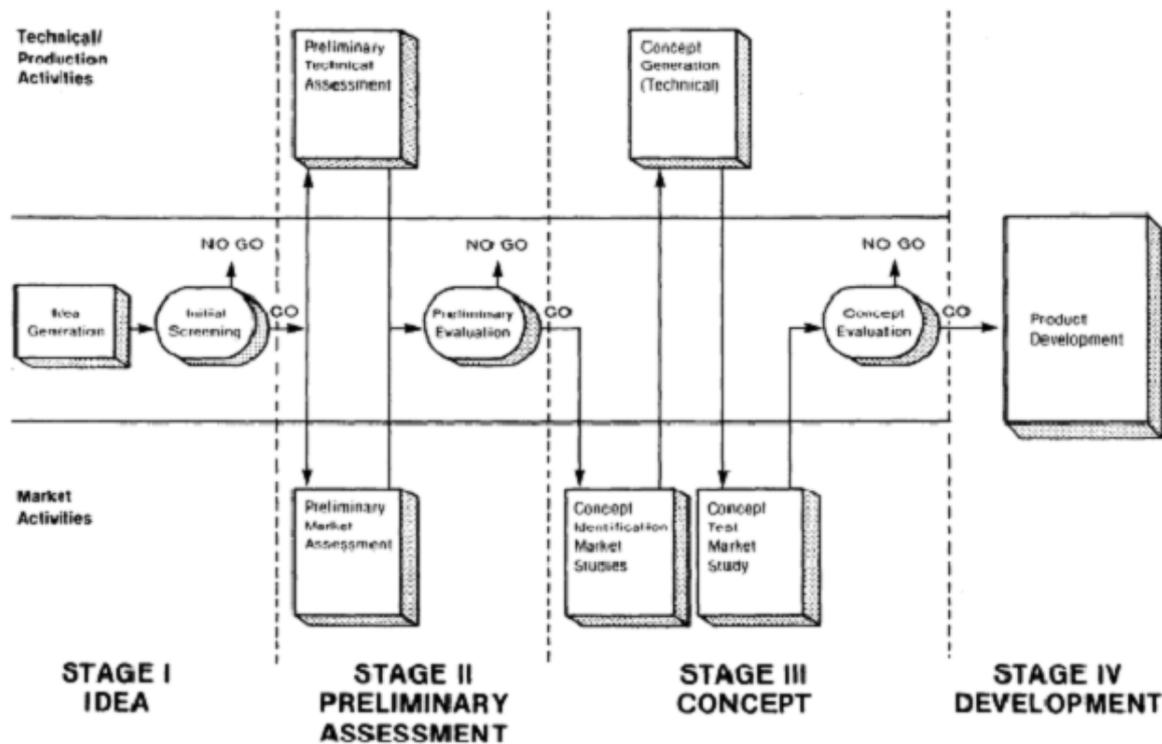


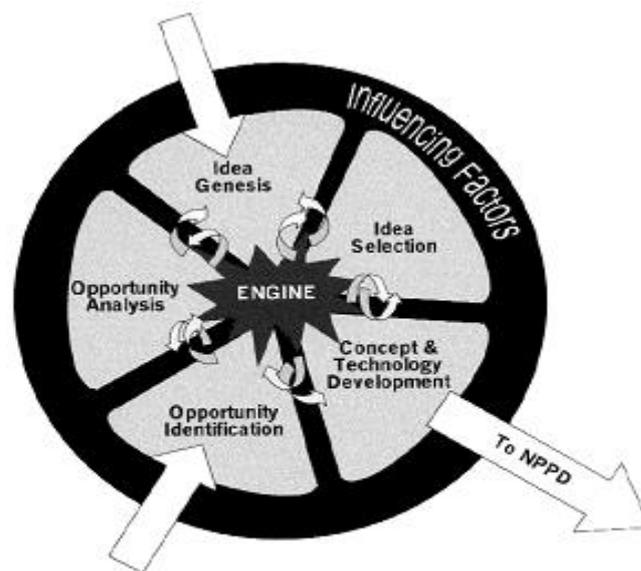
FIGURE 3. The Up-Front or Predevelopment Steps in the New Product Process

The up-front or predevelopment steps in the new product development, (Cooper, 1988, 243).

Figure 4

Koen et al. (2001) describe in their new concept development model the same phase of the innovation process as Cooper (1988) does in his model, with the difference of calling it as the front end innovation phase. The inner area in the picture below, defines the five key elements comprising the Front End of Innovation (FEI). The Engine or “bull’s eye” portion which drives the five front-end elements, is fueled by the leadership and culture of the organization. Influencing Factors, or environment are on the periphery, consisting of organizational capabilities, business strategy, the outside world (distribution channels, customers and competi-

tors) and the enabling science that will be utilized. These same influencing factors affect the entire innovation process, including the front end of innovation. NPPD stands for the new product process development and commercialization. The inner parts of Koen, et al's (2001) model were designated as elements rather than processes due to the fact that processes imply to a structure that may not be applicable and could force a set of poorly designed NPPD controls to be used to manage the front-end activities. The model is circular because it is meant to suggest that ideas can flow and circulate in any order between all the five elements and may use one or more elements more than once. What is noticeable is that this model is in contrast to the sequential NPPD process, in which going backwards in the process and redirection are viewed as delays, added costs or poorly managed projects. (Koen & al, 2001, 48-49.)

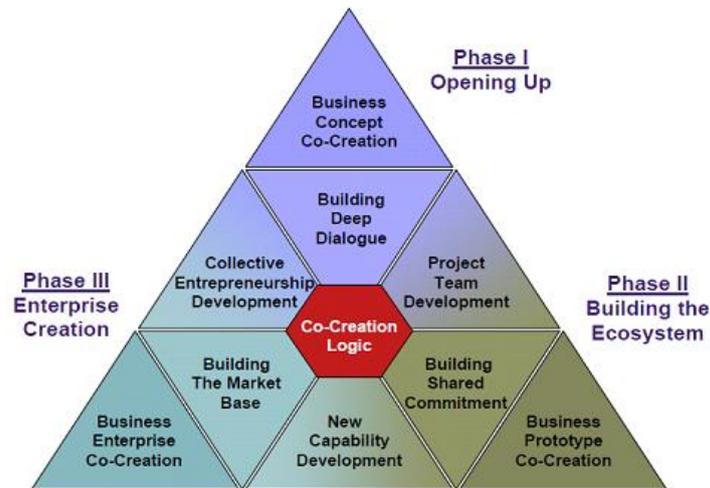


The new concept development model,
(Koen, et al., 2001, p. 47).

Figure 5

In my analysis, Cooper (1988) describes in his new product development model the same elements as there are in the co-creation process; idea, preliminary assessment, concept formation, developing further, testing, having a trial and launching. The Weconomy Start program and simultaneously the early stages of the co-creation process, which is the subject of this study, are in a way both the "fuzzy front end" that Koen, et al (2001) were modeling also. This is because Weconomy Start is a program for innovating, co-creating and planning a new business plan, which is designed to be ready for launching at the end of the program.

The co-creation process, or as Simanis and Hart call it, the BOP protocol is a co-venturing process integrating business with social and environmental aspects. Simanis and Hart (2009) also call this BOP protocol as embedded innovation process where this same protocol brings a company together with a community to launch and co-evolve a new business and markets in that community. As an innovation process this protocol does not try to replace the more traditional innovation processes, but rather complement them with this new value proposition (Simanis & Hart, 2009).



In-field process (Simanis & Hart, 2008)

Figure 6

There are two main principles to this co-creation process; mutual value and co-creation. Mutual value means the value created through this process and by this they do not mean just business value, but important value to each partner. The co-creation component means the need for the company to work in equal partnership with BoP communities and other possible partners to co-generate a business concept through interactive approach. These mutual values are progressively evolved by the partners together to make sure that the new business is in tune with the BOP community where the business is launched. This BOP protocol, or process, has three steps; 1) pre-field process 2) in-field process that includes three stages: opening up, building the ecosystem and enterprise creation, and the last step is 3) scaling up the BOP protocol. (Simanis & Hart, 2008.)

The pre-field phase starts with site selection for the BOP communities that companies are interested to work in the long term strategic wise and where there are some facilities, and yet not too extensive company presence. This is so that the company would have a possibility to resources in a way that the new BOP project would not get sucked into the traditional busi-

ness norms or practices. Selecting a few sites and launching the project in several places at once can create valuable learning, but it can also increase the complexity of the BOP project resulting in two separate business models. (Simanis & Hart, 2008.) Simanis and Hart's (2008) protocol is quite distinctive and detailed at times; for example they suggest that the initial corporate team should consist of four people with experience in development practice, especially in social entrepreneurship, and one or two additional members with ties to the BOP community that will be added to this team later. This team should then receive training in BOP concepts and BOP protocol. Selecting a local partner to help facilitate the new relationship with the BOP community is seen as important for the team to gain access inside the community and for that reason it is relevant that this partner is socially embedded in the community with experience of using participatory development practices. The final element in the pre-field phase is the R&D white space which means the linkages to the corporate resources and capabilities while maintaining a sufficient independence from the corporate norms and structures. The usual mindset for R&D with expectations of quick returns and rapid scaling-up plans do not apply here in the BOP quite the same way they do in the developed markets, which is why Simanis and Hart urge to use patient capital. (Simanis & Hart, 2008.)

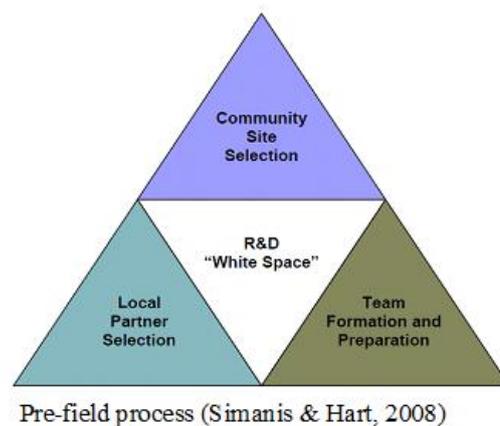


Figure 7

The first step of the in-field phase is the opening-up, where the foundation for co-creating are made from mutual trust, commitment and shared vision of the new business. The goal here is to overcome cultural distance and build basis for deeper dialog that finally leads to this new business concept that brings value for all partners. When building the dialog between all partners, including the BOP community, it is helpful to have small group meetings hosted by the local partner where all sorts of questions can be asked from any of the partners by anyone to further explain the purpose of the BOP project. In order to work more effectively with the BOP community as the project proceeds, a committed representative group should be formed

from the community members who are willing to work together with the corporate team. Finding a mutual language to start creating the new business enterprise will be one of the main objectives. The total time estimated by Simanis and Hart (2008) for this first stage is about eight to ten weeks and they also suggest that the corporate team members live full-time with a family or an individual from the community for at least a week. (Simanis & Hart, 2008.)



Figure 8

The second step of the in-field phase in this BOP protocol is building the ecosystem where the objective is to build an organizational foundation and to develop a product/service offering using action learning and small field-based experiments. The intention at this stage is also to develop capacity for the corporate and community members to work directly with each other. Documenting all the learnings and sharing these with all partners is important and provides consistency for future developments. The community members committed and motivated to invest time to the new BOP business are comprised to an even smaller group. This is because at this stage the role of the local partner changes from a bridge builder to a behind the scenes advisor. Community members start working as full-time partners with equal responsibility towards the new business as they will ultimately be the ones to manage and direct the business. Total time needed to execute this step is according to Simanis and Hart (2008) six months. (Simanis & Hart, 2008.)

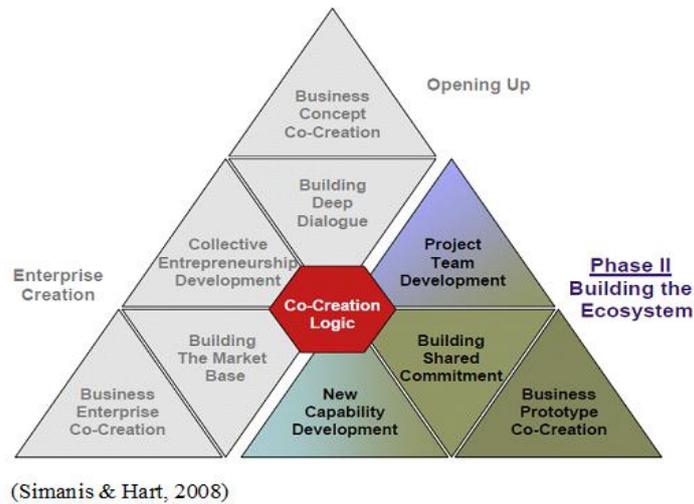


Figure 9

Third step of the in-field phase in this BOP protocol is enterprise creation where the goal is to establish a committed market base and an organization capable of expanding into a complete business model. During this stage the role of the local partner and possible other external partners will further diminish so that the BOP project team is self-sufficient. The community members need also develop management skills required to make the shift from a start-up to self-sustaining business. To develop the robust business model further, the team should go out in to the field and do business on a regular basis with the community team and build shared understanding and creative solutions together. The rule with the development of this new business should be “fail small and learn big” during this enterprise creation stage. The ultimate outcome after the three steps of the in-field phase should be a new business ready for scaling out. (Simanis & Hart, 2008.)

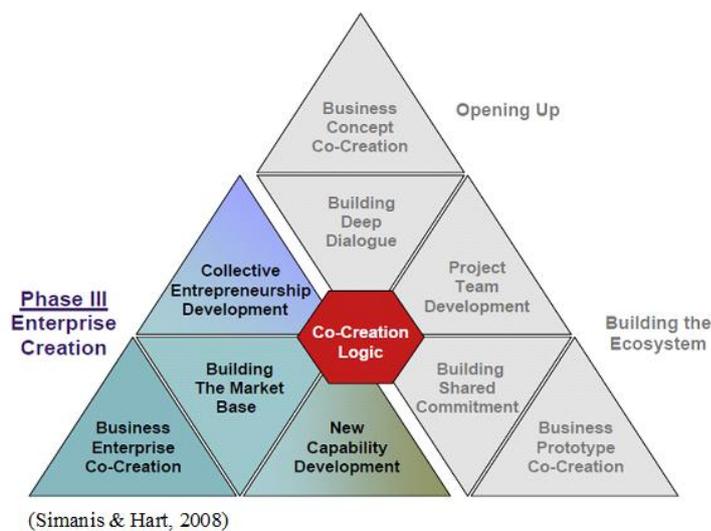


Figure 10

The final phase with this BOP protocol is to scale out the co-created BOP business. For most companies, scaling out is necessary for justifying the resources put in to the project and to generate sufficient value for the organization. Simanis and Hart (2008) estimate that this may mean transferring the new business model into hundreds or thousands new locations and BOP communities. However, according to this BOP protocol this could be done by creating a robust platform that is highly adaptable across a range of BOP communities and conditions. First step with scaling out is to start reaching out through business ambassadors and identifying new communities where the business would likely succeed. Second step is to start forming linkages between the parent business and the new community to form a new community group for localizing the business model. Third and final step is to use small-scale business pilots to re-embed the original business model to the unique local conditions. Prior learnings and tacit business skills can be used as leverages to credibility, branding, networking and market creation. Still, Simanis and Hart (2008) estimate that with experience they have had from the studies, it could take three to five years before BOP projects and businesses generated through this protocol takeoff. (Simanis & Hart, 2008.)

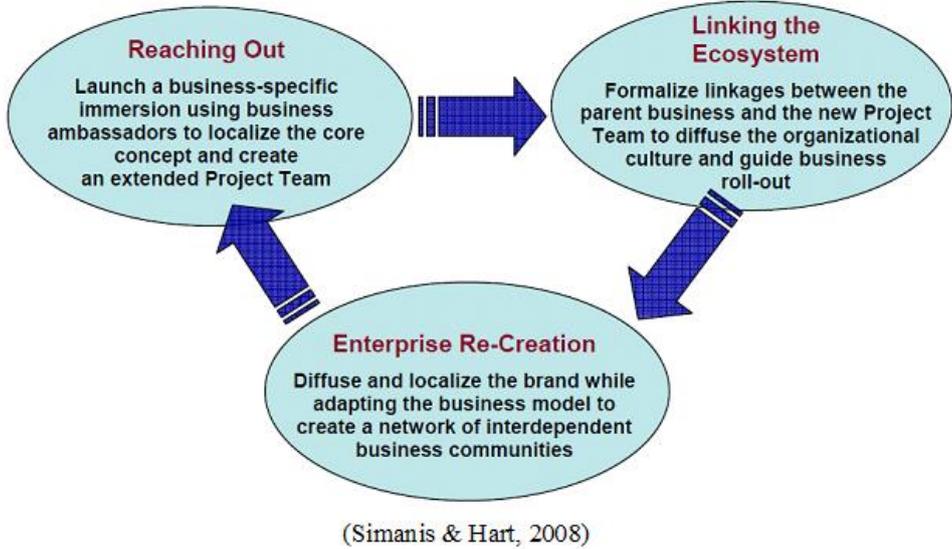


Figure 11

To sum up: There has been little research to date on best practices for the front end (Koen, et al., 2001, p. 46) and this is also the problem with co-creation and understanding its process; more empirical studies are needed. In my view, there are important elements in Cooper’s (1988) model for co-creation, but Koen, et al.’s (2001) seems to be closer to reality when referring to the field studies of Simanis & Hart (2008) and to the field study conducted in this

thesis work. However, from the material gathered for this study, it can also be argued that the co-creation process can be seen as an organic ecosystem, rather than a linear process, with the elements of co-creation being combined or skipped according to each individual co-creation path.

All in all, co-creation brings together corporations' and communities' resources, capabilities, and energies. The co-created new business ideas can exceed what either partner could imagine on their own, and it is premised on joint decision making by the corporation and the community. To succeed in this, there is a defined need for the company to work in equal partnership with BoP communities through an evolutionary and highly interactive approach. (Simanis & Hart, 2008.) The early business strategies at BOP were based on consumption patterns showed poor understanding of the needs that the poor have. Now it is time to start developing strategies that highlight features of truly becoming native and embrace embedded innovation strategies. (Gardetti & D'Andrea, 2010, p. 78.) Meaning, that companies should go to grass-roots level locally in order to understand these markets better. This is why the co-creation process includes listening carefully to people living in poverty, discovering their needs, and co-inventing solutions and business models. To achieve this, a shift in the paradigm that people living in poverty are victims need to change, and accepting their knowledge is the solution (Gardetti & D'Andrea, 2010). With these changes, the actual process carried out might indeed be alternative to the process in the BoP Protocol. Nevertheless, companies ought to become more inclusive, both in its decision-taking and its innovation processes, empowering the poor and co-creating with them new solutions. (Gardetti & D'Andrea, 2010, p. 89.)

2.3.3 CO-CREATION ECOSYSTEMS

Moore (1996) developed the idea of "business ecosystems" underlining the fact that organizations evolve because of their environment, meaning that no organization can survive isolated. Rather, organizations become stronger when integrating and developing together with its environment, otherwise they risk becoming weak and vulnerable. Moore (1996) also argued that competitive advantage will come more and more depended on organization's relationships and cooperation skills, not from products or services. In context of BOP, the terminology on cooperation and collaboration efforts has varied a lot; from alliances and partnerships, to

more recently networking, co-creating or building ecosystems for example. However, it was not until Prahalad that the term “ecosystem” gained more attention in the field of research on BOP and he defined it being a “framework that allows private sector and social actors . . . to act together and create wealth in a symbiotic relationship” (Prahalad, 2005, p. 65). The term ecosystem has had more advocates afterwards among both practitioners (Hammond, et al., 2007) and BOP scholars (Brugmann & Prahalad, 2007; Simanis & Hart, 2008). Reficco & Márquez (2012, p. 516) also point out that “the idea of ecosystem captures well the dynamics at play in market initiatives engaging the BOP” in general. Further, designing with local customers, networks, and business ecosystems it is crucial to make new innovations stick. If new innovations are not developed for the local customers, with local networks and they lack the business ecosystem that supports them, these new innovations will most likely continue to fail. (Khavul & Bruton, 2012, p. 286.)

For innovations to stick, companies need to consider carefully their business networks which can reinforce the adoption of the new innovations. Some researchers argue that “even the most appropriate, sophisticated, and beneficial innovations are likely to be short-lived without investment in the social and economic relationships that constitute the local ecosystem”. (Khavul, Bruton, 2012, 294.) Building an ecosystem requires local knowledge that can be expensive and time consuming to acquire. Some companies have, however, succeeded to build a formal network to work effectively in an ecosystem (Reficco & Márquez, 2012, p. 518). For example in Weconomy Start program, the NGO partner offers its ecosystem networks as a platform for the companies which can be used in new innovative ways in the co-created business models. However, building these ecosystem capabilities in the communities where the new innovations are launched increases the likelihood adoption and commitment towards them. Commitment to the local business ecosystem again increases trust between the new customers and the organization, which is likely better the odds of the new innovations embedding to the local environment and last. (Khavul & Bruton, 2012, pp. 294-295.)

Companies interested in starting and scaling inclusive BOP business models need to find ways of looking beyond their core business operations and value chains, and sustainable market-creating approaches (Gradl & Jenkins, 2011). Grandl & Jenkins (2011) recommend that such companies should take an ecosystem view. When starting to do business in the context of poverty, companies should ask themselves how the landscape needs to change for the business to grow and how to achieve wider impact. In areas where there is no business case yet,

ask what would need to change to create it, current conditions are not given. Companies may need to develop the skills, staff roles, and organizational arrangements needed to execute ecosystem strengthening strategies by providing BOP awareness-raising and capacity-building, research, information-sharing, public policy dialogue. New staff roles and organizational arrangements that can make strategies to strengthen inclusive business ecosystems easier to implement may be in order. Companies need to learn to identify the right ecosystem strengthening processes at the right times. Can change be driven through the business internally? Is a project-based alliance the best way to lay the foundations for an inclusive business model, or does the company need a platform to pool knowledge or create shared market infrastructure? (Gradl & Jenkins, 2011, p. 23.) These are also factors that companies in Weconomy Start program need to take into consideration. Different parties in Weconomy Start program bring along different ecosystems of their own, and new co-created ecosystems may form during the program.

Businesses can also use a variety of strategies to strengthen these ecosystems. For example by BOP awareness-raising, capacity building, using research, sharing information, engaging into public policy dialogue or by creating new organizations. Companies can then execute these strategies using three structures, private initiatives, project-based alliances or platforms, to harness the necessary resources and capabilities to do this. Platforms are formal networks of variable numbers of actors with the objective of reaching a common purpose. (Gradl & Jenkins, 2011, p. 5.) During the course of the co-creation process in this study, the NGO partner realized that one of its advantages as a partner was to use its organization resources also as a knowledge platform for the new co-created BOP businesses.

The BOP research is still in its early stages of gathering understanding on how to build and manage business ecosystems. Some approaches are relatively new and unexplored and others have not generated tangible results yet, not to mention the data that would allow a thorough impact evaluation. Nevertheless, research must start somewhere and now is the time to start reflecting the experience we have to date and the lessons learned so far. (Gradl & Jenkins, 2011, p. 7.)

3 RESEARCH METHOD

In this chapter I will explain why I chose to conduct this study as an ethnographic study and open up the basics of the literature in this field. I will also go through how the data collection and data analysis were made and finally explain the validity, reliability and limitations of this study.

3.1 RESEARCH APPROACH

Ethnography and observation are good approaches to researches where individuals and their interaction are studied. Further, it is useful when dealing with unpredictable and fast changing situations. Observation is mostly used in qualitative research where its methods serve the purpose effectively and when the subject of the research is broad and complex by its nature. All these factors are true and valid points when it comes to this research also, which is why ethnography was the chosen research approach. Observing methods can be further divided into two categories. First category consists observation carried out in a structural, premeditated way or observations done in a more free and modified structure according to the subject. Yet, both ways require knowledge of the upcoming events, further planning, checklists and some type of classification for the observations. The second category is free observation that is better suited for observing social scenarios and events. Multiple note writing techniques are usually applied in order to further reliability. With free observation method, the amount of data can be quite vast and the nature of the situations one-off the kind, which is why the time spent gathering the material can also be long. (Vilkka, 2006, pp. 38-41.) The free observation method was more suitable for this field study where social scenarios and events were the main subject of studying the process of co-creation between business and NGO partners, and hence applied here.

Ethnography is one among the many approaches used in social research today (Hammersley & Atkinson, 2007, p. 1) and what ethnography is in its simplest form of practice; is conscious observing of social phenomena. And further, observation meaning conscious scrutiny rather than just seeing things and phenomena randomly. (Uusitalo, 1991, p. 89.) Hanna Vilkka, in

her book *Tutki ja havainnoi* (Vilkka, 2006, p. 42) goes even further and distinguishes observation into several levels; 1) conscious observing from outside of the situation, 2) participatory observing inside the situation, 3) active participatory observing within the situation, 4) learning by doing ethnography and 5) observing hidden from the situation. Ethnography could be seen simply as one type of observing method. Still, reality seems to be that there is no clear definition to the label of “ethnography” because its use can vary in meanings; qualitative inquiry, interpretive method, fieldwork and case study for example (Hammersley & Atkinson, 2007, p. 1). Therefore, in my ethnographic study, I have applied these methods flexibly in different situations but mainly used the, free observation from outside the situation and participatory observation inside the situation in order to gain as reliable research results as possible. The difference in using these observation methods mainly came from me being a passive observer during the time spent in Finland at the workshops and from the fieldtrip in India, where I was a more participant observer. Because of the free observation method, I have used multiple techniques of recording events and taking field notes, as well as invested time in this research. This is also what ethnographic approach and this free observation require; constant writing since the field notes are highly important (Vilkka, 2006, p. 73). How much writing this means, I learnt quickly to write everything that is possible to write down since it is impossible to know beforehand which observations become important when analyzing the material and which will end up having less significance.

3.2 DATA COLLECTION

The empirical material for this study was gathered from the Weconomy Start program by observing the planning meetings of the Weconomy Start, the workshop days and the fieldtrip to India. The intention for me as a researcher was to be as invisible as possible and not to participate in the activities designed to the companies. This worked out great and with no effort in the workshop days in Finland, but during the fieldtrip to India, this proved to be harder given the social situation there. In Finland, people are used to the idea of research and development and what it means to have a researcher observing you and the activities you do. In the workshop sessions in Finland, I was left alone and given more space to work on my own. Of course the companies and entrepreneurs were interested in what I was doing there and wanted to know what it was I was observing about, but once they got the answers to these questions,

they were more or less satisfied. From here onwards, I felt part of the group but with my own space to work on the side.

In India, the situation remained the same as far as the Weconomy Start group was considered, including the NGO workers in India. The only difference came with the local communities in India. They did not seem to make such a difference between me and the companies, even though they were of course explained what my role was during the trip. This different attitude towards me seemed to have something to do with the culture there as well; they were careful not to offend anyone, so it felt as if they did not want me to feel left out. During the India fieldtrip, I was not able to stay as a passive observer since I also felt the need to be polite and get somewhat involved with the group activities made during the workshops there. I took part in group conversations in the same role as the companies, entrepreneurs and NGO workers did: finding relevant information for the companies and entrepreneurs as planned. Still, I video recorded these sessions from start to finish, but sometimes someone else took the camera and recorded the group conversations of other groups than what I was in. In other words, I got some help with recording of the material in India, when I was myself involved in the activities. I do not see this activity as being harmful to the study; in contrast, I feel that I got a better understanding of how these activities worked and were received by the local community. It also helped me to experience more the reality what the companies and entrepreneurs were experiencing when talking and working with the local community. After this shared and rather intensive experience during the fieldtrip, I felt again more as being a part of the Weconomy Start group as a whole and that the people that were on the same trip, felt also more closer to each other, and this seemed to be true for the Sri Lanka group as well.

Data gathering methods in this study have been video and audio recording with field notes. In addition, a baseline survey and questionnaires were conducted in collaboration with Tytti Nahi, a Ph. student at Aalto University studying the Weconomy Start as well, and given to the companies to fill up. The surveys were filled up as the Weconomy Start program preceded, which is why there is no specific date in these data codes presented in the study. The reason to use these methods as a combination was to get as honest view as possible to this study data. All the workshop days have been video recorded as whole and I have also made extensive field notes during these sessions. From the planning meetings, I only have field notes since the meetings have been private and recording them would not have been appropriate for the organizations involved. From the fieldtrip to India, I have both video material and field notes.

I have not recorded the whole fieldtrip from start to finish, but I have recorded all the sessions, meetings and workshops held in India, when possible. Some meetings or social gatherings during the fieldtrip in India were so intimate in their nature, that I was not able to record them, since it would have spoiled the intensive atmosphere. Also, I was not able to take part to the fieldtrip to Sri Lanka, because the two trips were held simultaneously. I was instead provided an audio recording of the trip by Professor Minna Halme from Aalto University, department of Management and International Business. This of course means that I cannot have as good understanding of the developments in Sri Lanka, than I have from the fieldtrip to India. This is why I will in this study emphasis more the observations I made myself in India, and cross-referenced those with the material I received from the Sri Lanka fieldtrip. Other than the fieldtrip to Sri Lanka, I have been able to observe the whole group of companies during the whole time span of this study. The three tables below describe in more detailed way the events, data collecting types, methods, amounts and codes used to gather all data for this study.

Table 4 Events and data collecting techniques

Event	Data collecting technique
Kick-off day	Field notes
Workshop days 1-3	Field notes, video recording, baseline survey, feedback study
First field trip	Field notes, video recording, audio recording, feedback study
Worksop days 4-6	Field notes, video recording, feedback study

Table 5 Data collection types, methods and amounts

Data collection type	Data recording method	Amount of data collected
Observation	Video recording	≈ 44 hours
Participant observation	Field notes	≈ 106 pages
Observation	Audio recording	≈ 3.5 hours
Questionnaires	surveys	Open-ended baseline survey
		Workshop feedback

Table 6 Data sources and their codes

Source of the data	Code for the source
Baseline survey	A
Feedback survey	B
Follow up Survey	C
Field notes	D
Video material	E

The Weconomy program itself took place during one year's time, but observing the whole one year process would have meant a work and material load beyond the scope for a thesis research. This is the reason why I chose to observe the Weconomy Start program and its co-creation process only during its first half; from January to the end of May. In this time line, the Weconomy Start had been launched in January and the companies were chosen, in total of six workshop days and numerous meetings were held, and the first fieldtrips to India and Sri Lanka had been made.

3.3 DATA ANALYSIS

The analysis of this study was done by coding the data in themes and by examining the questionnaires made for the companies. As guidelines and theory bases for coding these themes, I used the instructions of Miles and Huberman (1984, pp. 54-64). The coding themes for the analysis came partially from the literature review and partially rising from the material and data itself. I did not want to set strict themes before the study had been conducted, but rather leave room for the material and data to express important factors in the co-creation process as they happened in naturally during the Weconomy Start program. The empirical finding section of the thesis examines the data theme by theme, and in the discussion section most relevant factors from these themes are re-examined thoroughly. The table below describes the coding themes used to sort out the data material of this study.

Table 7 Coding themes for the data

Coding theme #	Description
1#	Co-creation activities
2#	Commitment to co-creation and Weconomy Start
3#	Roles in Weconomy Start
4#	Power relations
5#	Culture differences
6#	Co-creation process
7#	Co-creation and exit
8#	Co-creation speech
9#	Co-creation and innovation
10#	Need for NGO collaboration
11#	Co-creation and ecosystems
12#	Factors enhancing co-creation
13#	Factors hindering co-creation

3.4 VALIDITY AND RELIABILITY

In ethnography, accounts with different people in varying situations can be important source of data, even when these accounts are produced spontaneously. Still, both spontaneous and formal situations can give valuable information and sometimes it can be important to distinguish the two. For this reason, all accounts must be examined as social phenomena occurring in, and shaped by, the particular context they happen. (Hammersley & Atkinson, 2007, p. 120.) In addition, the observation material has to be recorded in its own environment and context, which is the basic premise to ethnographic study (Vilkka, 2006, p. 37).

In order to be as objective as possible I have, in addition to the field notes, video recorded almost all observations in their own context, with the exception of only a few situations, so that I have had the opportunity to observe the situations as they occur and re-examine them later. Using more than one observation method gives depth to the situations and provides a more honest view of the reality since the events can be verified from multiple sources. Also, by watching the situations various times, reading field notes and having these different types of data, gives the situations more perspective and opportunities see them from different viewpoints, both, in regards to the single event and when situating the event to the whole process. The six month time span of gathering the data and material fulfilled requirements set for a master thesis and to conduct a study from an ethnographic view point using mainly the free observation method; I had time to observe a large part of the whole co-creation process, understand the context the process happened in and the people involved with it.

Reflexivity is also an important aspect of all social research and it has been given more attention by ethnographers in the recent years (Hammersley & Atkinson, 2007, p. 19). For this reason I have elaborated my own role as a researcher during this study and reflected my own actions in different situations, so that the reader has an opportunity to make their own judgments on the reliability of this study and understand better the context where the observations have been made.

3.5 LIMITATIONS

The data of this study consists of the six companies participating, the three partners organizing the Weconomy Start program and the co-creation process within the program. Though the time span of this study is fairly good for an ethnographic research, the number of companies participating in the Weconomy Start program, and therefore also the number of companies studied could have been larger. Because the study is rather small, too heavy conclusions should not be made solely based on this particular study. It does however provide an authentic description of the process over the six months time period.

The time span of this study does not cover the whole co-creation process, the study only covers the first half of the Weconomy Start program. The end results of the co-creation processes in Weconomy Start program could have given more insight into understanding how the process of co-creation unfolds. Still, most of the events included in the program are also included in the study. Also, the study being an ethnographic, one should bear in mind that it offers qualitative a perspective and interpretation of the events, which is always open to a certain amount criticism. Hence, in the material findings and discussion section I try to elaborate context and events as they were, so that the reader has the same information that I had.

4 EMPIRICAL FINDINGS

4.1 EARLY EXPECTATIONS

The Weconomy Start co-creation program includes elements of recent co-creation theories, research and lessons learnt. These elements are also reflected in the co-creation processes within the Weconomy Start. Still, the program does not try to mimic these recent co-creation theories, but rather create one of its own. When I joined the Weconomy process in January 2013, the planning process had already started taken place the last fall. The material gathering for this study starts from the last meeting before Weconomy Start was launched in January 2013. From there onwards, I took part as an observer in various meetings, workshop days and to the first fieldtrip into India. The material was gathered, as mentioned before, using video and audio recording, interviewing the companies through questionnaires and making endless amounts of field notes. In this section I will disclose the findings and observations made in Weconomy Start during the spring 2013. The following chapters in this section 4 are roughly divided in themes that I used in the analysis and coding process of the material.

At the beginning of the Weconomy Start program, the companies did not have that many expectations about the process, but they did have quite clear objectives instead. Many of the companies were able to express in the baseline survey that their main objectives was to seek new business opportunities, find new markets and furthermore, acquire new and deeper knowledge about BOP markets (#1A, #6A) and getting in touch with NGO expertise in local conditions (#6A) Some of the companies expressed a specific goal of wanting to learn to work with an NGO and also trying to find new businesses that have a more sustainable base. Others saw challenges that might surface when starting to work in new conditions, but did not yet understand how an NGO could help in those challenges. These challenges included basic worries; how to make solutions affordable at BOP, avoid the risk of running into fake products, manage schedules and timelines of the new BOP business, how to have an open mind during the process and overcome possible cultural differences. (#10A.) Only one of the participants expressed as a main goal getting to know other participants and learning from their projects as well (#1A). No one was able to express their expectations of the process in more detail, probably due to the lack experience working in developing markets (#10A). Regardless of the lack of experience, some participants had already very high expectations about their

future partners in BOP markets (#6A). Preset mindset and opinions can prove hard to shake off during the process and it might be hard to find exactly what the image has been before actually seeing and experiencing the conditions (#6D, 3.10.13).

Gathering from this, it can be concluded that the companies and entrepreneurs were very business oriented with a cautious interest towards others and furthermore, oriented towards expanding their businesses into new markets with the needed expertise to do so. At this point the general mind set of the companies and entrepreneurs could be seen as self-centric, meaning that the important issue seemed to be to extract information and use it to gain one's own business goals. Only one participant expressed the goal of learning from each other, which is the base of starting to co-create; having the mindset and attitude ready to receive information that others have, whether it is useful or not, but realizing that it is worth learning and sharing with others, who can in turn learn and create something new from it. One other key element to co-creation was expressed by one of the companies; working "with local people and society" (#6A), realizing that the aim here is to actually work together with the local communities towards mutual goals.

4.2 CO-CREATION ACTIVITIES

4.2.1 SLOW START INTO CO-CREATING

The intention of the kick off day in January 2013 was to give a taste of co-creation to the participants eager to learn more about the subject. Therefore, small workshops were held in order for the companies to think out loud their strengths, needs, offerings or questions about BOP markets and the upcoming co-creation process. This also allowed both the companies and the NGO partner to connect face-to-face and see who are actually serious about venturing into this new process. From these huge crowds of interested, a hand full of brave ones got onboard. (#1D, 22.1.13.)

On the first Workshop Day in February there was a lot of friendly chatting right from the start amongst the companies, and especially the NGO delegates from India and Sri Lanka were very enthusiastic about the co-creation process. The discussion lingered in the new possible business opportunities; some had already plans made up and others seemed to be still looking

around and were more hesitant about sharing their ideas. (#1D, 25.2.13.) The first workshop days were more focused on presentations by the Weconomy partners and because of this, the conversation was more of an one way stream of new information on BOP markets, rather than a true dialog of sharing knowledge (#1D,E, 25.2.13). The void of BOP market knowledge was the main reason for the companies to join this program and the first workshop days were about filling this knowledge void. Partly due to this early stage of giving and receiving as much information as possible from the presentations, the companies were stuck in "listening mode"; they had to concentrate mainly on listening. This led to having very little dialog among the companies, which again resulted into having little discussion and creating new ideas, thoughts or learnings. (#1E, 25.-26.2.13.) The NGO delegates from India and Sri Lanka, who were present only the first two workshop days, seemed to be keen on getting to know more about the companies' new business ideas and were asking a lot of questions (#1E, 25.1.13). These questions were the main accelerator leading to dialog. More facilitation to encourage dialogs and discussions between the companies seemed to be in order so that ideas and thoughts would have started to flow already early on the co-creation processes.

4.2.2 PREPARATIONS FOR CO-CREATING

Already in January the preparation of the local communities in the target countries was started and the NGO partner's field workers begun slowly building up the concept of Weconomy Start and co-creation at BOP; what it was that the companies would be doing there, what the purpose of discussions would be and what questions both the companies and locals can and should ask from each other. While doing this, the NGO workers avoided rising the expectations of the locals, but made clear to the communities that the goal for the first fieldtrip was to understand the local context and to learn from each other. One of the goals for preparations in the communities was also to make sure that the communities understood that the companies were not NGO workers, but business people. The communities were used to certain type of actions and procedures when working with NGOs and this forthcoming interaction was going to be a bit different from that. Since everything was at this stage uncertain and nobody knew what the learnings or the outcome would be, it was important that the expectations of the communities were at the right level; not too high, so that there would not be major disappointments and not too low that meaningful discussion could not take place. (#12E, 26.2.13.)

Even though the NGO workers in target countries had been working in Weconomy Start program from the beginning and preparing the communities, this sort of working in collaboration with companies was not familiar to them either. Because of this, the idea and overall goals of the Weconomy Start and co-creation were clarified among the NGO staff in Indian and Sri Lanka a number of times. This proved to be a good approach since on the first fieldtrips, the NGO workers from both Finland and target countries, discussed these goals again and one could see that another layer of the meaning co-creation and its aspirations were comprehended. (#12D, 18.3.13.) These goals were of course discussed several times before, but the face-to-face conversations seemed to be much more accurate and efficient, than those carried through network. Still, the clarification of the overall goals were reviewed quite a few times after this as well, so a question raises; whether these face-to-face conversations should have been held a few times also before the first fieldtrip.

4.2.3 PRACTICES ON THE FIELDTRIP

There were a few practical matters that the companies and entrepreneurs learned quite fast during their first fieldtrip. Before going to meet the communities, it was very useful to have a rough plan for the important questions to avoid the self-evident ones and organize the day in terms of what topics need to be covered during these conversations and what kind of outcomes would be desirable. Also, when working in a BOP community for the first time and meeting a lot of new people, it was useful to keep in mind that it is usually considered respectable to give time for everyone to introduce who they are and what they are expecting from the meeting. This way people knew that they were appreciated and that there was time to engage into an actual dialog (#12E, 12.3.13). Having the local NGO workers covering the introductions and outline of the meeting was beneficial, since they were able to use the local language and the local NGO workers were more familiar to the communities as well. Dividing a larger group of locals into several smaller ones also allowed more people to state their opinions, and the conversations developed more depth and the topics were on a more personal level that created trust. Attention to use as simple communication as possible, was found most useful when working with the communities in order to avoid misunderstandings. These simple practices were rewarded with mutual understanding and a rather deep connection with the local people. (#12D, 19.3.13.) Facilitation and organization in terms of steering the conversations, organizing turns to speak up and managing the translation with possibly several transla-

tors seemed to be the easiest way of making the dialogs and discussions of more use and value (#12D, 18.3.13). Also, important details were found better to be asked from multiple sources, since the answers might vary depending on who answers to them (#12E, 18.3.13).

Working with the communities, one little thing proved to be more valuable than anyone could have thought beforehand. One could say that when trying to get information about a new environment and find out what problems there are to solve and opportunities to be found, one should talk to as many people as possible. What this co-creation process in the communities proved, was not that straight forward. Yes, it was useful to talk to several people about the issue at hand, but it was even more crucial to have a few people that one was able to talk to again, and a few times after that. This is because co-creation is not just about exploring the new markets, it is also about learning about the new environment which means that more information is needed than what people want to buy or what they are capable of producing. It is about learning what difficulties the people in these local communities face and what goals they have. In order to achieve this, the companies need opportunities to ask follow up questions and things that may come up a few days later. When one has an opportunity to talk to people on several occasions, the flood of information becomes vast. Meeting people only once, means that so much goes unsaid. In the first fieldtrip to India, the companies had an opportunity to engage with the same local community group several times, this group was referred as core group (#12D, 18.3.13). When meeting up this core group again, the companies and the NGO workers made plans before hand on how to take the conversations one step further than last time. To avoid getting stuck on previous issues and to lead the thinking ahead, the previous conversations and the goals met earlier were revisited at beginning, as well as the whole process itself. Feeling the atmosphere among the local people when the process was explained over and over again transparently with the honesty of not knowing for sure what the end result would be after all this, remained excited and there was a sense of endorsement for the future possibilities. The companies were also honest about their needs for their new BOP businesses. It seemed that the open sharing of the needs of both, the companies and the local people, was one key factor for the successful and fecund discussions among these two parties. The local people had of course many questions about this Weconomy Start program, co-creation and about the intentions of the companies, and during these sessions time was allocated to these questions for the local people to ask the things they were pondering about without the need to rush them. (#12D, 20.3.13.)

With all the new people to meet and places to explore during the fieldtrip, it was easy to forget how valuable it is to just sit down and think all the new things that had happened. The fieldtrip days can get quite hectic and even though the things that one learns during these days are countless, they can be even more so when shared together after each day. The specific atmosphere and intensive working experience during the fieldtrip should not be underestimated and definitely taken advantage of it. Regular debrief conversations among the companies and NGO management after the day proved to be truly useful for the companies to go through important events of the day, sort out the relevant matters and compile how, if so, the BOP business plan needs to be changed. These debrief conversations also gave room for new opinions and encouraged companies to comment different aspects on other's BOP ideas. Parts of this debrief conversations were held among the companies without the local NGO and it turned out to be useful. It helped to crystallize some BOP ideas and business perspectives first in one's own language before going into deep conversations with the local NGO workers. (#12D, 18.3.13.) However, after clearing one's own thoughts, the local NGO workers should not be completely forgotten. Regular meetings with local NGO workers were held where progress and events so far were discussed. (#12D, 19.3.13.) After few days the debrief conversations, this practice became self-organized session with its own practices; the next chapter opens up this process in more detailed way.

4.2.4 CO-CREATING NEW PRACTICES

After the first day in the fieldtrip in India, the companies and NGO delegates from Finland started to plan their days through carefully selected objectives raised from the learnings of the previous day or days. They also molded the upcoming day's activities to better answer those questions that the companies and entrepreneurs found themselves having. These objectives included specific targets for each conversation and rather detailed plans on how to extract the necessary information. The fieldtrip days were naturally planned ahead in Finland containing meetings with various groups and such, but as the companies got to see the local conditions themselves, they learned quickly what needed to be explored more; what areas they needed more information on and from whom it could possibly be obtained from. All this was done by asking a lot of questions from different people and in efforts to understand how the local people live their everyday lives. The companies co-generated these goals and targets in collaboration with the NGO workers from Finland, the consult and university partners. (#1E, 18.3.13.)

This method became the new guideline for the companies and NGO workers to plan together new goals day by day during the rest of the fieldtrip. The learnings and information accumulated from the local communities became the basis for setting new goals and planning the concrete means to achieve them. (#1D, 19.3.13.)

The pre-planned meetings and discussions included actors who already had similar business frameworks or models as the Weconomy Start companies were pursuing to map out at the target area. The main goal was to get to know their working environment and to learn from the challenges they had faced and overcame. The companies got experience based tips on what to consider in their own plans and learned for example different ways to create cash flow at BOP. Openness is crucial for having a meaningful dialog and this seemed to be clear for all the parties present at the meetings. Observing the dialog held there, and compared to those held earlier, it seemed that the small stiffness back home had eased to some extent and the companies had a real chance to learn. The purpose among all parties was to share experiences and have a two-way learning experience, even from those experiences that had not been that successful. The conversations usually developed into “small think-tanks” around the new unfolding business plans, for instance, in regards of the branding or transparency of the new concepts. The companies got valuable insights from new perspectives from these meetings. (#1D, 19.3.13.)

All this information learned during the conversations was not only useful for the companies, but also for the NGO partner and its local branches. From the conversations held in the communities with the local people, the NGO workers also learnt new and different aspects from the locals about their lives. The NGO workers were inspired to reflect their own work and they learnt new ways of improving their own modes of operations, as well as new ways to provide aid for the communities they work in. The local NGO workers in India were pleased for the fact that they had had the chance to get to know better the people they work with on daily basis; they felt that they now understood better the potential of these communities and individuals. (#1D, 22.3.13.) These types of conversations of changing experiences would have been beneficial to have more also during the workshop days in Finland. The experience-sharing discussions and further developing of business plans based on these conversations, was more or less left on informal bases during the workshop days in Finland.

As a result from the discussions and workshop sessions held with the local communities with the initial intention to help the companies form their new business plans, were also unexpected effects on the thinking and reasoning of the local people. A lot of the discussion topics were about the skill set of the local people; current marketing strategy of the products they produce, and the possible strategies for the companies' new businesses. The companies were not the only ones learning new things; the local people learnt too. The locals started asking more and more questions themselves and got encouragement into their learning from the companies. This can be best described as ripple effects of co-creation process; through shared learning new creative thinking spreads. (#1D, 20.3.13.)

The program for the first fieldtrip was largely planned by the organizing partners of Weconomy Start, which was naturally due to the fact that the companies had little knowledge about the target markets. But on the late spring workshop days, after the first fieldtrip, the companies were asked to start planning the next fieldtrip and the specific activities there; who they wish to meet, what type of discussions they need to have there, why they need to meet specific people and what will be the overall goal of the next trip. (#1D, 26.4.13.) Think-tanks with the companies were also held about the different co-creation activities that can be used during the next fieldtrip; what other activities can be used to co-create than different forms of creative discussions held so far. The discussion was vivid and ideas flue, to mention a few ideas that the companies wanted to experience; the use of pictures as a source of stimulus, visioning the future from different viewpoints with the locals and the use technology, video cameras for instance, to capture surroundings, environment and the reality as it is. The companies were also introduced a number of idea tools to use as different source of creating new business models and encouraged to utilize end users or consumers as co-creators in the process also (#1D, 13.5.13). Because of the timeline of this co-creation process in Weconomy Start program, the introduction of these tools and methods could have been more beneficial had this been done already before the first fieldtrip.

4.3 HUMAN FACTORS IN WECONOMY START

4.3.1 COMMITMENT IN WECONOMY START

Companies participating the Weconomy Start program had from the very start an idea of what more they could bring to the communities in which they might start operating. For example, the companies expressed providing opportunities to “get employed”, “to earn money and get education” or “possibilities to earn extra income”, and also to give “possibilities to save money” and even to achieve a “better standard of living” (#2A). A common feature in these answers is that the companies and entrepreneurs were committed to working for and with the communities; “this project is for low-income people”. In the baseline survey all companies express their commitment to working together with the local community in which they could be working in the future and also their commitment to co-creating a BOP business that would bring value to all parties.

During this co-creation process, the companies seemed to commit on working with each other at different levels. From the first workshop days, the companies clearly bonded more with those participants that pursued to do business in the same target country as they themselves did. The companies headed for India had similar goals for their businesses and they discussed about the possibility of working together. This was quite different for the companies headed for Sri Lanka; they seemed to be more focused on working on their own and were not sharing openly their BOP business ideas with other companies. (#1D, #1E, 25.-26.2.13.) The close relationship within the India group carried through into the fieldtrip also and the companies pondered together the needs and problems they would like to affect with their new BOP businesses (#1D, 18.3.13). When again on the Sri Lanka fieldtrip each company concentrated more on developing the new business plans solo, or consulting with the Weconomy Start partners.

On a more practical level, the lack of demonstrated commitment by the companies towards participating to mutual activities caused frustration among the group as a whole. An ongoing phenomenon that occurred during most of the workshop days was behind this frustration; some of the companies seemed to be doing their own daily work during the workshop sessions, instead of concentrating on the present moment (#13E, 25.- 26.2.13). This, all though minor, behavior seemed to be sending a wrong kind of message to others that the persons do-

ing this were not that committed into the process. Also, more than few times, some of the companies had difficulties in actually being present for the whole workshop day (#2E, 26.2.13). If this sort of behavior becomes a rule rather than exception, it could be interpreted that there is some lack of respect for other peoples' time and effort they have gone to present new ideas and thoughts in the assumption of getting regular feedback. Not being present for the whole time reserved for the workshop sessions might also lead to not getting close enough to possible new partners or missing out on important knowledge that could have been beneficial for the new BOP business endeavors. After all, co-creation is a process none the less, one cannot just hop onboard every once and a while hoping to get the same results as those who embrace every moment of it.

On the India fieldtrip, commitment to working at the BOP markets as result of this program caused a dilemma. One of the companies struggled to find a profitable business model at the poorest of the poor segment of the local BOP market and the NGO partner reminded the companies that they had committed to working at this very poor BOP market when they took part in this program. The NGO was also quite hasty in putting the pressure onto the companies to find a business model that would work already during this first fieldtrip, even rising up the option of quitting the program. The fact that the company was pressured during the fieldtrip in India into finding a profitable business model at the very bottom of the local BOP market, and that this pressure was not the same for the companies on the fieldtrip in Sri Lanka, was a distinctive difference. This incidence raised a few crucial questions of the Weconomy Start program almost by accident; was Weconomy Start program committed to working with only the poorest of the poor segments of the BOP markets and was this view shared among the partner organizations of Weconomy Start? Furthermore, if so, why this had not come up earlier during the program? An open discussion of these issues and defining more specifically the operation level of the BOP markets did not come up during the time span of this study and the issue was left aside. (#2D, 19.3.13.)

Commitment issues amongst the Weconomy Start partners caused some concern for the planning process of the program. At the first meeting I attended in January, I learned that the team of the business consultancy which was one of the organizers had changed frequently during the planning process of Weconomy Start. There were underlying hints of concern about the fact that there had been so many different people in the meetings and communication was not perfect; for example new team members were not familiar with previous decisions made con-

cerning the program. This seemed to raise a question of the level of commitment towards organizing the Weconomy Start. (#2D, 17.1.13.) Unfortunately, this frustration only continued as the program progressed.

4.3.2 DIFFERENT ROLES

In January before the Weconomy Start program was launched, a discussion rises in a meeting about the roles and responsibilities of the three organizers of Weconomy Start. The discussion is quite meandering, but as a consequence a few goals are set for these roles. The NGO is very articulate and forthcoming about the importance of having a convincing expert role of BOP markets onboard in the program. The NGO itself agrees to be, as the main leader of Weconomy Start program in the role of composing all the materials from the partners together and taking the lead in the workshop days. The matter is agreed on, though the role of being in lead in this kind of BOP business co-creation program is something very new for the NGO, in comparison to the development programs they are used to carry out. (#3D, 1.2.13.) There is also some conversation about the efforts needed to make in order for the NGO branches in the target countries to understand the concept of this program and the goals. The Finnish NGO takes this task of guiding the local NGO branches as natural for them to carry out. The university partner has agreed on being in the role of providing the latest knowledge about co-creation and BOP markets. After setting these roles nobody seems to notice that the business consult partner does not have a specific role to fill in this program, or at least an outspoken role. (#3D, 17.1.13.) Despite all this, during the Kick off day of the Weconomy Start, it seems to be that the role of the business consult partner is to be in its own role as an international business consult for the Weconomy Start companies providing individual consultation. Still, the specific tasks or support efforts of the consult partner are not made explicit. (#3D, 22.1.13.)

Perhaps due to the lack of specific roles of these organizers of the Weconomy Start, the companies participating the program were slightly confused about the responsibilities of organizers during the first fieldtrip. On the India fieldtrip the NGO brings this subject to surface, expressing awareness about this problem and offers some clarity to the issue. This is all welcomed information for the companies. (#3D, 21.3.13.) After the fieldtrip, the role of the business consult partner is brought up in a meeting among the organizers of Weconomy Start. The

aim is to clarify the role and the specific responsibilities more; who is the contact person for the companies, what support functions are included to the program and what functions are extra support at the company's own expense. At the same time these issues are dealt, a new person is introduced to the business consult team. Still, this seems to be a right decision in regards of the capacity building on BOP context for the business consult team. (#3D, 10.4.13.)

The companies express that the role they would want and were expecting from the consult partner was support in business related networking internationally and support in the “going international- process”. In addition to this, they all expected this support being in the context of BOP and that the business consult partner would have the expertise to back this up. The companies felt that this “BOP lens” was lacking in the consultation they were receiving from the consult partner. This reveals that there might have been differences in the way that the consult partner felt it was filling this role, as opposed to that how the others saw it. The consult partner might have felt itself that they were delivering just what the companies said they needed, but changing some of the business terminology to match the BOP spirit more, was not enough. The companies expressed their worries that they were being thought how to do BOP business by someone who did not have the relevant experience themselves. (#3D, 17.3.13.)

The NGO partner had three roles to fill in this Weconomy Start program; the role of being the leader organization for this BOP business program, the role it had being an NGO and maintaining the legitimacy and trust it needs serving as an NGO and the role of expert in local conditions. To do this, managing the first two roles, the NGO has to be able to link this new BOP business co-creation venture to its own agendas as an NGO and the values it represents. This way the NGO gets to meet its goals serving as an NGO. (#3E, 26.2.13.) The third role comes to play in situations where the companies need for example knowhow of local customs or guidance on how to address certain people. In India, for instance, the Finnish NGO workers found themselves being the “middle man” in between the local communities and the companies. On the first few days being in the new environment, the NGO counseled the companies on how to behave and how to say things, they also reminded the companies of their own role; being the business people, not charity or NGO workers. (#3D, 18.3.13.) As the companies got to see the communities and people face-to-face with so many unmet needs and sometimes in very poor surroundings, there was a risk that they might lose sight of developing profitable

businesses in hopes of just wanting to help these people somehow. This could have lead to misinterpretations or raising false expectations of the local people.

The last workshop day before the first fieldtrip and especially the seating arrangement there, revealed something about the roles and how people interacted with each other at this stage; the three organizing partners were mainly on one side, and the companies were mainly on the other side of the room (#3E; D, 12.3.13). The division amongst the members illustrates how everybody still leaned on their own group and roles as almost like “customers and service providers” or “students and teachers”. It also showed that it can take time to get to know each other and get comfortable. The ideal situation would have been that everyone would have felt being on the same level; learning and teaching one another.

At the last workshop day of the spring, the companies continued expressing their confusion about the different roles in Weconomy Start. Confusion has risen about the role of the NGO partner in regards to how much resourcing from their part includes into the supporting the companies’ co-creation of new business plans. The companies are not sure which NGO worker to contact in India and Sri Lanka, and how much support they can ask from these people. Also, some of these NGO workers have expressed willingness to be more involved than others. The companies are keen to get the views and comments on their new BOP business plans from the NGO workers in India and Sri Lanka, in addition to the Finnish NGO workers. (#3E, 13.5.13.) The matter is not entirely solved and gets moved to the future.

A factor that caused confusion not only among the companies, but also affected the roles and responsibilities of the Weconomy partners was that the value proposition of the whole Weconomy Start program was actually in three pieces, rather than being a joint value proposition. The NGO partner’s responsibility was to deliver X, the consults partner’s responsibility to deliver Y and the university’s to deliver Z. In other words, each partner had one piece to the puzzle. This was recognized as something that could cause trouble, but the partner organizations were not able to get their own processes to be as one with one program value proposition. (#2D, 1.2.13.) It could be questioned whether the lack of a coherent value proposition may have also been the reason why it seemed at times as if the responsibilities of the program for each partner was not always clear.

4.3.3 POWER RELATIONS

At beginning of the process, it seemed that the relationship between the companies and the leader organizations of Weconomy Start was similar to the relationship of a teacher and a student; the teacher being the one giving the all the information and the students waiting to get it, but not quite sure on what to do with it, yet. The power relation can also be compared by the sizes of the actors in Weconomy Start; the leader organizations are all working on international basis, whereas the participants are private entrepreneurs and small or medium size companies. The relationships in the program can also be described as quite common business relationships; others being the service providers and the others being customers. This could be due to the nature of the program, in regards that the companies are paying customers to gain access to the benefits of the program, rather than this program being a philanthropic partnership. The companies are at times somewhat bold in their criticism towards the program or its leader organizations, and this might be partially explained with this feeling of being customers, rather than a partners. (#4D, 17.3.13.)

In this sort of partnership and co-creating endeavor, the NGO gets multiple opportunities to introduce the challenges and problems they try to respond in their own line of work. In this particular program, one goal was to co-create the new BOP business plans to be both profitable and socially responsible at the BOP market. This type of goal in a co-creation partnership gives the NGO partner influence power and a new way of reaching their own objectives. It seems, as this influence power over the social goals should have a label of “handle carefully and with respect”. Also, the influence power seems to be in some relation to the organization’s size. In Weconomy Start the NGO was fairly huge internationally and was in the role of the leader organization in the program, so naturally it had comparatively high influence power over the companies. (#4D, 18.3.13.) At the beginning of the co-creation process, this influence power of the NGO was hardly used; the main focus was on introducing the current field of problems and challenges at target countries (#4E, 26.2.13, #4D, 18.3.13). But during the first fieldtrip, this all changed a little bit.

During the fieldtrip, the NGO partner was the expert in local conditions, and quite justifiably so. This expertise is after all one of the main reasons why companies want to partner with NGOs. In literature, the NGO is often profiled as small and minor in comparison to the companies they partner with, but this is of course not always the case. The NGO management here

demonstrated confidence and authority every now and then when dealing with the companies throughout the program. With this said, this all came more apparent during the fieldtrip. For example, with the intent of guiding the companies on building the relationship with the locals, the NGO management was quite forthcoming and strong on their counseling and was able to show some “tough love” to the companies when they felt this was needed to get the point through. (#4D, 19.3.13.) The NGO’s confidence and power was more clearly demonstrated when one of the companies had a hard time finding a profitable business model from the poorest of the poor segment of the local BOP markets. After pondering this dilemma for a while, the company concluded that it could have been able to found profitable business from the middle poor segment of the BOP. Still, the NGO put pressure on the company to dig deeper in order to find profitable business from the existing poorest of poor segment. (#4D, 19.3.13.) Eventually, the pressure and leverage power the NGO partner had and that it used on one of the companies led to the company’s exit from the program. What made this event momentous, was the there was no rules or discussion prior to this event, that the companies should focus only on the poorest of the poor segment of the BOP. Nor was this set as a guideline afterwards either.

4.3.4 CULTURAL DIFFERENCES

Cultural differences can emerge from many places. The everyday life, work habits and the needs that people have can be so different to what we are used to, that even imagining them could prove to be the very opposite from the reality. This fact was proven to the fieldtrip group in India within the first few days; no one could have imagined the complexity of the community women’s work production chain. For the companies who are coming to start new business in a new environment, it is important to know what kinds of challenges there might be in the current system of working, in order for them to plan a new system of their own that could perhaps better meet the needs of the communities and thus be more sustainable, both economically and socially. The cultural differences are sometimes so vast and may vary in each new location; country, province and village, that the planning process of a new business also varies a great deal from location to another. This learning curve can take up a lot of resources from the companies. Still, what can be refined to perfection in these situations where environment varies, like they do in BOP markets, is the co-creation process inside this new environment.

An example of these surprising cultural differences in Weconomy Start program was between the core business of one of the companies and the cultural attitude towards it in Sri Lanka, and this issue was sanitation. How to go about this issue became a learning curve of its own. Here in Finland, we have lots businesses around sanitation and composting, but in Sri Lanka this subject was hardly spoken of. The problem was recognized from the start, but to get through it and have the opportunity to speak openly about it with the actual potential users was one area of support needed from the local NGO. (#5E, 25.2.13.)

Gender issues can also emerge when working in different cultures. Whether it is worth to react to all that may be interpreted as offensive or unequal gender wise, is another thing. In some cultures the behaviors of men and women are deeply woven to the traditions and it would not be appropriate to interfere as an outsider to all of this. With this said, the voice of underprivileged women in many cultures can easily go unheard and when exploring the opportunities in the BOP markets, women's voice should not be excluded. These issues are quite complex to tackle, but there is no harm done in being prepared and recognizing this. An example of how deep these issues can be happened during the India fieldtrip, in a meeting with the companies and NGO workers from India and Finland. The local male NGO workers took over the major part of the discussion leaving little room for the local female NGO workers, and they also spoke freely over the female workers without recognizing the dominant pattern. The same pattern was also present when talking with the local communities, both females and males present, and as a solution, the females and males of the communities were set on different groups during the workshop sessions. (#5D, 18.3.13.)

Religion in different cultures is something that can vary from being very obvious, to a matter privacy and personal life, or something in between these. The co-creators themselves may also represent some religious orientation and this may or may not affect on the working habits or the way the cooperation happens. An example of how religion affected some of the daily routines during the fieldtrip in India, reveals how this can also be a form of activity rather than something one can see or sense from the environment. In this case, prayers were held each morning by the local NGO workers and afterwards a small discussion about the meaning of the issues that were described through praying. This "religious discussion" gave the local NGO workers a familiar way to share their thoughts and ideas for example about the

Weconomy Start program or the events of the fieldtrip among these new people (the companies) they had never met. (#5D, 22.3.13.)

The external appearance of individuals may seem like a minor detail when it comes to co-creating together with new people. Yet, when working in cultures where clothes and appearance are a strong source of daily communication, religion or other type of tradition, one can easily sabotage one's own agendas and goals simply by "wearing the wrong type" of clothes. The issue of external individual appearance is of course quite complex, and does vary from culture to another, but an example of how it can be used to benefit the co-creation process also, happened during the India fieldtrip. All the women from Finland put a lot of effort into wearing the same kind of clothes as the local women in general and matching the norm of external appearances, whereas the local female consult partner delegate had more of a "western style" clothing, as well as the local male NGO workers. During the workshop sessions, those that had matching appearance with the local community people, felt easy talking with the locals and their conversations were very open, when those that did not, had a hard time getting the locals opening up and did not have as fruitful conversations. It did seem, as if external appearance worked as a way of communicating respect and raised trust among the locals. (#5D, 17.3.13.)

Reason why talking and discussing as much as possible are so important and why they have been to some extent emphasized in this study, can be not only traced to creativity, but to cultural differences. Talking reveals things even though we do not say them. How we say or explain things and how we act when we say something, always reveals something more than just the words. When working together with other people, it becomes more important; we need to understand each other so that we know that we mean the same thing to agree or disagree on something. A good example happened on the fieldtrip in India. The companies, Finnish NGO management and the local NGO workers and management of India discussed about what quality of work is. One might think that the discussion was straight forward and about finding mutual standard, but it was not. The companies and Finnish NGO management would have liked if the locals were thought during this process how to improve their skills and this way get better value for their work. The concept of improving the skills of these local people and why it should take place did not seem to get positive response among all NGO workers and management of India. For the new BOP businesses to have a chance of working international, the quality of any work becomes important. The whole basis of this conversation seemed not

be on the same level among the different parties; raising the quality of living seemed not to mean the same for these parties. The conversation got stuck on the very concept of why the quality of work is important. (#5D, 22.3.13.)

It is fascinating to learn how one of the globally most spoken languages is used in different places and countries; English. When people are from different cultures and even when they are speaking the same language, the way people use this language and say the things they want to say, can be totally different. In some cultures people use their tone of voice, particularly women, in such manner that they might not say straight forwardly what they mean, but rather say it in a certain way in which people in the same culture know what they mean to say. Also, in India it is usual to say positive things, but shake one's head at the same time making the meaning almost the opposite. On the other hand, in some cultures it is a custom to take what people say quite literally. It takes time to get to know what people say and what they mean to say. On general basis, when working in unfamiliar cultures, it could be better to start by keeping the discussions quite simple and ask a lot of clarifying questions, just in case. This, asking questions and asking what people mean when they for example describe something as a success, can be considered as a sensible way of getting information in a foreign culture. What some might consider as a success could be very different to what others perceive success to be. (#5D, 18.3.13.)

4.3.5 CHALLENGES IN FINDING A COMMON CO-CREATION LANGUAGE

During the early days of this co-creation process, the speech and tone of talking about the Weconomy Start program and its co-creation process was largely leaning towards “doing things together”. The Weconomy Start presentations highlight the features of working together, brainstorming and developing BOP business plans together as a group in the Weconomy Start. The co-creation process is discussed as a linear, smooth step-by-step process where observations are turned into BOP business ideas, the ideas are then molded into BOP business concepts and finally, into actual product or service development. (#8D, 22.1.13.) Speaking and creating an image of what co-creation is, seems to be relying on a clear message that co-creation is a new way of doing BOP business (#8D, 1.2.13). Now, co-creation itself is not a new invention, but the use of co-creation methods in a tendentious manner pursuing to find new BOP business opportunities with NGOs especially, is something fairly new.

Due to fact that the business consult partner is in its “own, usual role” of helping companies to go international or the fact that it did not seem have a specific outspoken role in Weconomy Start with clear responsibilities to fill in the program, it seemed to feel comfortable speaking about co-creation with its “own business jargon” that it was used to. Now, there is nothing wrong with this in general, but in this fairly unique co-creation spirit within the Weconomy Start, it seemed to take the orientation during the activities towards cold, self-centered and “business as usual” atmosphere. In the c-creation context, the co-creators and people involved in the co-creation process of the new BOP business plan will not all be from business backgrounds and a heavy use of business jargon might not be the best way of creating a collaborative spirit. The other partners used a more general language when talking about the business side of the co-creation process, and the NGO partner in particular was “correcting the jargon” already in the second workshop day (#8E, 26.2.13).

At the beginning of the fieldtrip, some of the companies talk a lot about helping the local communities and the people there. The use of the words “help” in different forms is repeated extensively. This might mean that there is still some unclarities about the overall goal, and further, it might lead into the wrong impression about the efforts that this co-creation process is aiming for; working together and finding new solutions together. Sure, the results of the co-creation process may look like “helping” and both parties are helping each other in a sense, but there is a fundamental difference. Co-creation is essentially working together in order to achieve mutual goals, it is not “helping” in a way where one gives and the other one receives; in co-creation both parties have to give and receive in order for the co-creation process to work. (#8E, 18.3.13.)

4.4 CO-CREATION PROCESS

4.4.1 STEERING THE PROCESS

As told earlier, the planning process for Weconomy Start had already started before I joined the process. When I started studying the process, the plan for the program was roughly finished and the next step was to get companies on board. As the program was designed to be interactive, the intention was that the kick off day would be the same and give some preconception to what was to be expected. The main goal was to get people excited and brainstorming different business ideas to selected target countries for themselves or for others too. The means to achieve this would be through engaging people to a dialog throughout the day with interpellations and comments, working in groups to bounce ideas and encouraging people to reflect and comment on other people's ideas. To further encourage interactivity, the layout of the space was also done so that chairs were all tightly in the centre and groups were left space to form around flip charts and tables. One of the goals was also to build trust through open dialog . (#6D, 17.,13., 22.1.13.)

As the process of co-creation, what happens in it and how to manage it, was new to all organizing partners of Weconomy Start, actions in it were constantly reviewed and discussed. This was done so that the process could be monitored and checked whether it stayed on the course that it was set, and whether all actions, past and future, were aligned together with the goals of the process. (#6D, 1.2.13.) The co-creation process, as I interpreted it, lives and continues to search its course through the activities taken in it. Though a rough plan needs to be in place on how to steer the co-creation process and understand what component are required to build up the process, one key learning from the co-creation process seen in Weconomy Start, was that the co-creation process itself should be revised and reflected against the goals set for it from time to time.

On the last days of the fieldtrip in India, discussions lead to the next fieldtrip planned to take place during the fall 2013. The companies, NGO workers of India and the NGO management discuss the second fieldtrip and how it should differ from this first fieldtrip. The Indian NGO workers were already keen to start planning and preparing for the next fieldtrip, or at least know what the goals should be for this next trip. An agreement was reached that the second fieldtrip schedule should be more flexible than it was on this first trip. There should be more time to spend among the locals and workdays to process the newly received information and ideas and thoughts. (#6D, 22.3.13.) For the companies, the first fieldtrip was about opening the dialog with the local community and having discussions with various groups; the second fieldtrip should be about working more independently with the locals. What this first fieldtrip

showed, was that even though the goal is to start working more independently on the second fieldtrip, the support in sparring and getting the feedback on the BOP business plan is still necessary and vital for the co-creation process as it proceeds.

4.4.2 SEVERAL CO-CREATION PROCESSES INSTEAD OF ONE

From the start, there was a problem of making the Weconomy Start program promise and offering to be one whole package; one promise and one offer. The reality was that the program promise was divided in three parts according to what each organizing partner promised to offer in the program. Goal throughout the program was to get these offers as one package that would not seem separate from each other. (#6D, 1.2.13.) The reason why this program offer should have been ideally as one is that this offer, or in this case or offers were also linked directly to the corresponding process in practice. In other words, when the reality was that each partner offered X, Y and Z that resulted in three processes of X, Y and Z, it also meant that the Weconomy Start program process as a whole, was constantly being pulled and divided into three processes. Because the program promise was not stated as one, both the organizing partners and the companies were trying to make sense of the process by tearing it open again and again. Now, this can be confusing and time consuming for everyone to keep track of, and it was.

Besides the fact that each company had a co-creation process of its own, they also had shared co-creation processes. The shared co-creation process developed as the companies shared their learnings, gave feedback to each other and interacted with each other during workshop days. An example of this shared co-creation process, and how different it can be from the individual process, can be described through the two very different fieldtrip experiences that the companies had. The two groups in India and Sri Lanka shared a learning experience as part of their individual co-creation processes, and the two experiences were very different from another. The India fieldtrip was full of intensive workshop sessions with the locals, going into personal level of getting to know these people, having extensive debrief conversations afterwards and shaping the goals of the companies according to the new discoveries. The Sri Lanka fieldtrip on the other hand, was exploratory by its nature, getting to know the new BOP business environment widely with various networks, keeping the working atmosphere casual and allowing the BOP business plans room to still mold. Despite of the differences in these

shared co-creation processes, or parts of them, they both worked to serve the present needs of the companies.

The Weconomy Start organizers had also a co-creation process of their own. Their operations developed towards more co-creative way of working during the spring. The communication between the three parties, their way of working together and managing tasks developed into working as cross-sectorial teams; both within Finland and between India and Sri Lanka. Working solo seemed to change step by step, and sometimes in leaps, into working more closely together and linking new people into working together also. For example, at the beginning of the whole process, the NGO workers in India and Sri Lanka were not in contact together, but through the Finnish NGO. Towards the end of spring, more linkages and direct communication between the two was achieved. The Finnish NGO and the university partner moved towards working as one team. The business consult partner was the only one who stayed on the outside of this bonding process and kept its distance towards others. (#6D, 24.4.13.)

4.4.3 PRACTICAL ELEMENTS OF CO-CREATION PROCESSES

The practical elements of a co-creation process make up also the core activities of the Weconomy Start program around which the program is built. The main practical elements are workshop days and intensive working sessions within these days, studying throughout the process, fieldtrips to target BOP communities, different types of meetings and visits with relevant networks, BOP business support groups and possible new partners. The main actors in the process are the companies seeking new business opportunities at BOP, the co-creator partners (in this case the NGO, university and business consult partners) and target BOP community, BOP experts and previous BOP successors from whom the companies get valuable knowledge and support groups around the new BOP business. The co-creation process is kept on motion by encouraging constant interaction and learning, studying, sharing experiences, working closely together and in different groups, seeking solutions together with all partners, having creative and debrief discussions regularly, learning new business models and seeking new ways to access to local BOP ecosystems.

At the early stages of developing and refining new BOP business ideas, the focus on sharing BOP information and experiences can be wider in order to get inspiration and learn from other's ventures and grasping the variety of different possibilities what has already been done at BOP (#6D, 16.4.13). For example, small sized companies can get inspiration from the experiences that multinational organizations have on working at BOP, even though their recourses will not be at same level of operating. The stories and experiences of other's ventures at BOP were among the most inspiring and practically useful in the Weconomy companies' perspective (#6B, 16.4.13). Still, as the co-creation process with these BOP business plans develops further, more focus is necessary for the companies to develop the plans within their own realities; not all will have partners with revenue models to consider, for some, possible partner candidates might be for example local workers or unemployed youngsters. The inspiring ideas, learnings and opportunity moments are best serving when they are brought back to meet to the level of the new BOP business itself and the company's own recourse base.

Although the co-creation process in Weconomy Start was designed to be interactive, and in some parts this was more successful than others, the facilitation of this interactivity was somewhat slow at the very start of the program (#6D, 26.2.13). Observing the companies, a mutual feeling among the companies, was that this occasional lack of interaction was a surprise. Feedback from others, sharing ideas, comments on new BOP business plans and working in groups was something that they were keen on having more right from the start of this process. The presence of the Indian and Sri Lanka NGO delegates was one of the factors that animated and sustained this interactivity successfully, so it was a bit shame that they were present only during the first two workshop days (#6D, 26.2.13). Perhaps due to this rather slow start of interactivity, the co-creation process, in regards of co-creating the new business plans together through sharing ideas and learning from each other, was also a bit slow to begin. After three workshop days, the companies were still hesitating to share their ideas with each other and there was an evident need of steering the conversations. The companies formed informal groups and the physical distance of the different groups of companies and even among the groups, seemed to mirror also the current feelings; the Weconomy Start group was not yet comfortable around each other or ready to trust in each other. Taking the risk, jumping into to the unknown area was not only hard for the companies; it was also hard for the NGO, university and business consult partner (#6D, 19.3.13). Imbedded in the concept of co-creation, the risk of jumping into the unknown is shared among all co-creators and it should be embraced from the start.

The concrete activities of working in groups started on the third workshop day and though it was something most were already expecting, it was understandably quite a struggle to achieve, given that it was still new and unfamiliar for them (#6D, 12.3.13). It seemed that during the first two workshop days this group had already established a way of behaving in new situations and breaking those patterns proved to be harder than anticipated. In order to get a head start in achieving a way of working that can be called as co-creation, the methods of sharing thoughts, new ideas, commenting on these and creating a discussion ought to be practiced and encouraged vigorously from the start. If these activities were practiced from the first meetings and workshop days with present objectives of learning or targets set for the business plan, even though the substance would not still contribute that much to the actual new business, the co-creation process would jumpstart more effectively. Direct feedback from one of the companies was given upon this subject also; more group works would have been useful and as the early workshop days were so different from the more interactive ones, the companies were not quite ready for them (#6D, 24.4.13).

Pressure to share current status of each individual co-creation process is obvious when co-creating. The status of the new BOP business plans was especially important to the Indian NGO workers in this case because of the longer physical distance and their partner role with the local communities for the companies (#6D, 19.3.13). In order for the local NGO workers to do their own part of taking care of the communities' best interest, they need to know how the process is progressing. Open dialog and sharing all news creates trust that again is reflected by interaction on many levels. An excellent method of facilitating interactive dialog, openness, trust and co-creation was introduced during the India fieldtrip; regular debrief discussions held after each day (#6D, 18.3.13). This simple method proved to be an efficient way of further cooperation, bonding the group, building trust and inspiring people to co-create. Updating the business plan as new factors are discovered can also aid monitoring the co-creation process naturally through these discussions and other co-creators have a chance to give valuable feedback on the spot.

The fieldtrip itself serves as an essential part of the co-creation process as a way to do intensive research of the potential new business environment and provides a chance to link the new BOP business to real needs coming from within this community and its local ecosystem. During the fieldtrip, the companies visited the local community daily and met with different par-

ties that might have some contribution into the BOP business plan (#6D, 18.3.13). Visits into the local environment, network and communities seem have a great difference; it is impossible to imagine the local conditions with an understanding on how the communities work or what the people feel their real needs are. All the companies felt that having a chance to see the reality themselves and engaging into discussions with the local people gave them inspiration and for some, even actual substance from where to develop their business plans (#6D, 18.3.13). For the business people these discussions also gave them an opportunity to ask questions from each other, a way to start building trust and even potential business relationships.

4.4.4 NEED FOR NGO COLLABORATION

The NGO partner knew from the start that it had BOP knowledge and resources that would attract businesses. It had not used its BOP market knowledge base for any other use but for themselves before, so sharing this knowledge was new for them. Yet, the NGO knew that they had the right kind of market knowledge that the companies would find useful and they felt strongly that they had, as a global NGO, a unique position with a wide range of detailed BOP market knowledge with actual substance and truth. (#10D, 1.2.13.) Still, it took several months before the NGO and the companies in Weconomy Start realized what it was exactly that the NGO had to offer for them and what the companies themselves were looking from the NGO. None of them knew how to verbalize their needs or what NGO support would mean in practice. Eventually, it all came down to a platform; the NGO partner has a global platform with BOP knowledge, networks with different local ecosystems combined with the network of the global NGO organization and its resources. The reason why it took so long time to understand what these different parties have to offer for each other and what their needs were, was because the two of them, NGOs and businesses in general, have so little interaction that they do not understand how each of them work.

For the NGO in Weconomy Strat, the need for NGO collaboration in BOP business seemed obvious; if a company is willing to build a profitable business that stems from the real needs of poor people living in the BOP markets, they need access and knowledge of this complex ecosystem. The big picture is that the business ecosystem here in Finland is familiar for the companies, the local Indian ecosystems are familiar for the NGO partner and in between is “the unknown” space where co-creation is trying to build a bridge. The reason why it is so

important to link into these local ecosystems is to avoid the unknown space between the local ecosystem and the company itself, and gaining access into the space of opportunities within the local ecosystem. These opportunities lie where the best local knowledge meets the best new outside knowledge. Sometimes it is hard see the best way to act and start working inside the local scene, which is where NGOs step into the picture. (#10DE, 16.4.13.) This access to the local ecosystems within the BOP markets is one key factor in making the business sustainable, both in economic and social terms (#6D, 26.2.13). One usual pitfall for new BOP business ideas is that the solution they offer is not compatible with the real needs of the local ecosystem and people in it. Also, one way of making new BOP business to be more sustainable is to offer a solution that answers to the actual local needs, and NGOs are one route to get to the bottom of these needs. In the co-creation process of building a new BOP business plan to match actual needs, NGOs are mostly still viewed as intermediary partners, not fulltime business partners as such.

Besides finding new, local BOP partners, the NGO's professional expertise can be used in managing the expectations of the local people within the operating environment. Managing the expectations of local people and communities becomes especially useful when the new BOP business has direct operation with the locals. NGO can be a vital partner when working with the locals already before the actual business starts operating by doing "groundwork" by discussing about possible issues the communities might have; what is this company, why is it here, what can be expected from it. Preparing the communities for meetings and discussions is important for proper discussions to take place when the companies arrive. During this study, the companies participated both in meetings that were prepared properly and to those that were not; the difference was day and night. The level of conversations and the effectiveness of gathering right type of knowledge together with the local people included more learning experiences for both parties, when the preparations were made thoroughly before hand (#10D, 22.3.13). For the companies, an NGO can be a vital connect and link between the company and the community (#10D, 19.3.13). The NGO can keep the communication channel open in person and in this way maintain the trust-build process that had started on the fieldtrip. The NGO is therefore an excellent partner for not only managing the expectations beforehand, but also in keeping the expectations alive.

Although the NGO in Weconomy Start recognized the need for collaboration between NGOs and business field, it still faced some communication challenges with explaining the extend of

this collaboration to the companies. The main benefit that the NGO partner in this case offered was to provide a platform from where the companies were able to get leverage and support for the new BOP businesses, but it was not able to do the actual work that needs to be done to make the business happen; NGOs do not offer work force as such. Furthermore, the collaboration needs to be profitable for the NGOs as well. (#10D, 26.4.13.) In the light of this process studied here, it would seem that co-creation takes quite much of the NGO's recourses. The NGO cannot get involved with the co-creation process with no intentions to put time and effort into it, the same goes naturally for the companies as well. For example, this BOP co-creation process consumed the NGO's recourses in Finland, India and Sri Lanka. Co-creation is also a long term commitment; Weconomy Strat was a one year process and the end result was a launch ready business plan, not a fully operating business. Inputs from the local communities are essential for co-creation and its process. Imbedded in the meaning of co-creation are the inputs of the local people that contribute to the co-creation process and its end results.

On a more practical level, NGOs in general have a massive experience in engaging dialogs with governments and service providers, which was verified also in this case; the NGO partner had extensive networks with local authorities and the NGO provided support accessing this network for the companies (#10E, 26.2.13). The NGO also supported extensively the conversations held among local communities providing not only legitimacy, but practical advice too; how to best reach the people and avoid misunderstandings or raising false expectations (#10E, 18.3.13). Overall cultural guidance during the workshop days in local communities and sharing their experiences from the field seems to be valuable for the companies and bring these "general cultural issues" down to practical level. The practical knowledge of the NGO cannot be bought, as the NGO offers personal culture guidance and interpretation understanding the needs of both sides all the while saving time. (#10E, 26.2.13.) In this case, the NGO offered important facilitation aid in organizing the workshop days with the locals, communicating the purpose and goals of the sessions to the locals so that they would better understand why they took place and were important for the co-creation process, since all this sort of working in collaboration was quite new to most of them (#10D, 19.3.13).

4.4.5 EXITING THE CO-CREATION PROCESS

Exiting from a co-creation process is not a failure. It is a learning experience, and if not for a new venture, for one's own future. After the fieldtrip in India one of the companies decided to revisit the business idea back home and see if a new, more suitable idea for BOP markets could be molded from the original business idea. On the last day of this fieldtrip the company wanted to share how the decision to take a few steps backwards was made:

The fieldtrip itself ended up being the culmination point of this co-creation process for the company; before the fieldtrip the business idea seemed to match the needs that the locals had and the company was confident that the right way to do the business would present itself during the fieldtrip. On the very first day of the fieldtrip, the company started to have mixed feelings about the business idea and during the first few days realized that the idea would not work as thought earlier. After spending more days observing the environment and interacting with the locals, the company came to a conclusion that the needs are there and that they are real, but a different business idea is needed. The company decided that the best thing to do next was to take the business idea and the new learning experiences back home to further analysis and development. The company also wanted to take some time to grasp what exactly had happened on this fieldtrip and what are the things that need to be learned from it. (#7D, 22.3.13.) The company never came back to Weconomy Start and I was not able to make contact with it, in order to make further analysis of the situation. The exit of one of the participants in Weconomy Start was never actually discussed during the workshop days (#7D, 15.4.13) and was quite hastily moved aside.

One factor influencing the exit of this entrepreneur could have been the pressure on the fieldtrip from the NGO management. The company on the India fieldtrip got a harsh response from the NGO management about its BOP business plan quite early on during the fieldtrip. There were some conversations about different BOP business models, but there was still pressure to find a BOP business model at the poorest of the poor BOP level. On the fieldtrip in Sri Lanka, the companies were not placed this sort of pressure. The companies on the Sri Lanka fieldtrip had BOP business plans that, in my opinion, were not targeted to the extremely poor either, and the response on those business plans was quite the opposite; support on different BOP business models were proposed in order to develop the plans further.

At the last workshop day of the spring one of the companies raises an undefined issue of the different levels of BOP markets and whether the companies were meant to start operating their BOP businesses on a specific BOP level. The exit of one of the companies had caused confusion among the companies and whether the exit had happened due to the company's BOP business plan, but they had not brought these questions up before. Now, these companies had come to a situation similar to the company that had exit the process; profitable business could not be made within the poorest of the poor but within the BOP markets as a whole. Now, this seemed not to present any problems and there was no pressure for the companies to change or modify their BOP business plans to direct the operations only on the poorest BOP level. But, the companies were reminded to keep in mind and tone up, as further developing the BOP business plans, the social impacts for the local communities from the new BOP business. Support to find new ways to achieve this was offered and developed in cooperation. (#7D, 13.5.13.)

4.5 CO-CREATION CHALLENGES

4.5.1 GETTING STUCK ON AN IDEA

There might be a risk in regards of co-creation and innovation when companies decide too strictly already beforehand what the BOP business plan will be. It is useful to have an idea about the new BOP business but to get too stuck on the preliminary idea can carry a risk of not seeing new ways of thinking or not being receptive to new thoughts (#7D, 19.3.13). All the companies in Weconomy Start had a basic idea of what their new business could look like or what they would like to do (#1, #2A). There is nothing wrong with this, but one should be prepared to change the plan and adjust it, for example to fit better the local conditions. This may seem easy, but the reality of letting go of a plan that so much time and effort has been given to, can be heartbreaking (#7D, 19.3.13). The line between having a business idea and having a business plan is sometimes vague. Having a business idea gives direction and some core into which one can add more dimensions, but to have a business plan means to have a few more key parts set; for example who are the possible BOP business partners, who are the customers and how the cash flow is formed. When a proper business plan is set, it can be hard to change it and one might even get personally attached to it, so that changing the plan can become challenging. Motivation behind this personal attachment may lay for example in the

urge of helping others. Especially entrepreneurs can have personal goals as well as business ones, and these two may not always lead to the same direction (#7D, 19.3.13).

The plan made before the first fieldtrip may change even quite drastically after the explorations made during the fieldtrip. Still, letting go of the BOP business idea that, for example will not bring sufficient profits, allows time to find new BOP business models that can work. Reminding one self, revisiting and possibly modifying the business goals from time to time, particularly during and after the fieldtrip is a good way of confirming the goals set for the co-creation process. If the goals set, for example for the fieldtrip, are not concrete enough, the fieldtrip itself can easily slip into a sightseeing trip. The reason why it is also so important to share even the preliminary BOP business ideas and goals comes back to this same issue of having a business plan; when one shares the ideas for the BOP business, they get valuable feedback on whether the idea works as a business plan. Not all good ideas work as a business. When the idea cannot be communicated clearly enough in business terms, it might mean that more thought should be put into it (#7E, 25.2.13).

4.5.2 THE CHALLENGE OF SHARING

The challenge of sharing BOP business ideas and the new plans became quite evident during the first fieldtrip. The challenge had been noticed before, but there was really no pressure to change the situation, until the companies started working on the site with the Indian NGO workers. The local NGO workers were quite puzzled in efforts to understand what some of the companies were expecting of them and how could they support them, when they had little information on what the actual business plan was. Some key elements influencing the possible new BOP business model were also not discovered until during the fieldtrip (#7D, 18.3.13). With holding the BOP business idea and plans from the members of the co-creation process is perhaps not the best way to develop the business plan. The plans are not meant to be ready at the beginning of the process, the meaning of co-creating is to get feedback, find out the needs and the possible solutions for them with partners and to allow the process to develop so that changes and new directions are left some room and flexibility. When the new BOP business idea process and the development of this plan are done as a co-creation process from the start, the idea is to leave room for new perspectives that might still change the BOP business plan or the business model. The process of co-creation is likely to be more efficient and meaning-

ful when the process has an open dialog with all partners, including the NGO workers who have an insight on what type of BOP business already exists in the target area and how successful are they. Through open dialog important factors with minor or radical effects on the new BOP business plan may come up even quite early on during the process.

4.5.3 PRACTICAL ISSUES

The materials given to the companies to read before workshops or prepare tasks at home for the workshop days were sometimes send out only four days in advance. This proved to be too short time line and resulted sometimes in poorly prepared presentations by the companies (#13D, E, 25.2.13). With these short time limits, some of the companies came to workshop sessions more prepared than others. Also, the material used during the workshop days was not always available before hand and it took sometimes days before it was distributed to the companies to use. Weconomy Start had a network of its own to use to material distribution and internal communication but it was not easy to use, and still the materials were not placed there on time. (# 13E, 26.2.13.) There was also some malfunctioning with the material flow to India and Sri Lanka; tasks and questionnaires prepared by the companies sometimes never reached abroad and the overall communication about recent developments did not running smoothly all the time. More preplanned and organized way of information sharing among the all the partners and towards the companies would have solved this problem and improved reactivity to changing situations by the organizing partners. (#13D, 19.3.13.)

The material used in the workshop days was at times targeted to multinational companies, even though the companies participating the Weconomy Start program were on the smaller scale. Also, throughout the process there were at times some communication challenges with linking the information and learnings given by the organizing partners to the companies BOP context and to their level of doing business; especially in regards to the companie's organizational size and availability of recourses (#13D, 26.2.13). For example, small sized companies may find it difficult to relate to the problems and the solutions that multinational companies face in the BOP markets, compared to how other small companies handle the challenging markets. This could have been a minor detail during the sessions, but in fact, it seemed to have been one factor that caused larger damage to the overall professional respect that the

companies had for the organizing partners. This seemed to cause feelings of frustration that evolved into diminishing professional respect according to some companies.

As in any process that takes a longer period of time to evolve, the level of motivation can fluctuate at times. This was also the case in this co-creation process. Towards the end of spring, the enthusiasm of the companies to prepare tasks beforehand and participate more into the activities of workshops declined a bit. Of course it is only natural for this to happen; not all days are the same and sometimes it can be harder to see all the benefits of different activities. This is the time when inspiring and context-sensitive communication becomes even more important. (#13D, 26.4.13.)

The team members of the consult partner were numerous and ever changing during the whole spring time. The initial team list of consults supporting the companies was of nine people (#13E, 25.2.13). Some of these people were never present at the workshop days and some we saw only once or twice. The consultants that were part of the process were quite often changing from workshop to workshop and it was not always clear to whom to be in contact in different matters or questions, and whether the issue was to be run through the NGO as well. In other words, not only were there some obscurity for the companies about who to ask what questions, this seemed to be also a bit unclear for the leader organizations as well (#13E, 26.2.13). As a solution to this, the companies suggested that a simple list should be composed, that would list the names of those who were to be contacted in different issues related to Weconomy Start program and those who could be contacted as an expert in certain field, but who were not official members of the Weconomy Start program (#13D, 17.3.13). To mix this even further, there was some confusion about the BOP business consultation given by the consult partner as part of the Weconomy Start program and as to what part of this consultation was considered as extra and had to be paid on top of the program fee (#13E, 25.2.13) .

Besides the challenges between the partners and companies, there were some at the target countries. There were a few occasions during this process where the local NGO workers in India had worries about the progress made by the companies in regards of the new BOP business plans and their eligibility. Still, the local NGO workers hesitated to express these worries to the other partners of the Weconomy Start program. After some gentle encouragement by my own behalf, they admitted these worries to the partner organizations. The reason why I interrupted to the situation after the issue was revealed to me, was because in order to react to

these worries and to solve them, it is important that all issues are put on the table, so to say. In this case, it turned out, that the worries were based on misunderstanding. These particular worries were based on misunderstanding about what the next step was going to be in the co-creation process and when certain objectives were meant to be achieved. The local NGO's main concern was naturally the people and the communities they work in and the NGO workers shared the anxiety and impatience about the results of these new co-created BOP business plans. These sorts of moments are the right time to go through the whole co-creation process timeline and objectives in order to remind all of the key points and activities that happen and when they will take place. (#13D, 19.3.13.)

5 DISCUSSION

The findings section showed how the data and empirical material were processed. From these observations key points are further discussed and analyzed in this section. I try answering my research questions; what are the possible hindrances of co-creation and on the other hand, how can the co-creation process be enhanced. My purpose is to share these key points and also try to offer a new view point into the co-creation literature from which the co-creation process research can be further developed.

5.1 CO-CREATION HINDRANCES

It is important to reflect and take look back when creating new ways of doing things. There is still much to learn about the process of co-creation and therefore examining this process inside out is important for future learnings. No process forges without hiccups and there is much to learn from those as well.

5.1.1 CHALLENGES WITH RELATIONSHIPS

Even though the university partner was in the role of providing the latest knowledge and insights on BOP context, this insight on BOP business seemed to be expected also from the consult partner as well by the entrepreneurs and companies (#3D, 26.2.13). However, during the spring it became prominent that the entrepreneur partner's expectation was not going to be fulfilled by the consultancy and it caused frustration among the companies. This might be because the BOP experts provided by the university partner were only present on particular sessions of each workshop day, not for the whole day. Most of the days were therefore spent working alongside the business consult partner that provided business knowledge as usual and methods used in that more traditional context. If the business consult partner had experts of its own on BOP, they did not use them during this study. Because of the expectation gap between the assumed role for the program and the expected role by the companies, the business consult partner did not seem to be appropriate for the Weconomy Start program which caused frustra-

tion among both partners and companies. The business consult's role in general was vague and unclear during the whole time span of this study. A more suitable role for it could have been as a supporting partner, providing business knowledge on a few sessions about business tools or relevant import-export issues for example. A more appropriate partner to fill the role of the business consult partner in this context of co-creating new business for BOP markets could have been an expert or experienced partner in BOP field or an expert in innovative business model. This is because success in BOP markets will most likely require companies to change their current business models and see things from a new perspective. The university partner also had difficulties to act as "one partner". There were actually two different departments committed to the Weconomy Start program and the two departments of the University wanted to be separated in their responsibilities. This caused confusion among companies who did not make any difference between the two departments; they saw only one "university partner".

Trust factor played some role in the criticism towards the business consult partner also. When questioning whether the business consult partner was able to fill the role it was expected to fill, companies' trust seemed to be compromised towards the consult partner. Trust is important because when people are willing to learn and respect the expert's opinion, they also need to trust in their expertise, and willingness to learn is one key factor in co-creation. A few incidences happened during this process that allowed the companies to question this trust causing further damage to the relationship between the companies and the consult partner. For example, a few times the presentations and sessions of the business consult partner were perceived as negligent in regards of the presentation being done professionally. This was expressed by the companies in frustration and not being able to see the usefulness of the sessions (#13D, 16.4.13). The trust issues caused eventually doubts about how committed the consult partner is when its team members kept changing during the whole time span of this study. Also the NGO had a few team members changing and the preparations for the program were slightly delayed because of this, but this seemed not to have affected in the relationships of the NGO and companies.

Communication amongst the organizers partners seemed to be a matter of a small struggle during this process. At the beginning there were challenges in communication responsibilities of different tasks and finding the right person in charge of different responsibilities within the teams of each partner. This was probably partially due to the changes in team members of the

partners. The changes caused some confusion from time to time to the companies, as they were not sure who contact in different issues.

It has been studied that as these partnership processes progresses, interactions between the partners increase familiarity and partners learn tacit knowledge about each other. This knowledge and familiarity create emotional engagement between the partners that further integrates with enthusiasm, pride and trust with the aim of sharing resources of the partner organizations. Eventually this may even lead to partners speaking the “same language” (Austin & Seitanidi, 2012). In this study the interaction process among the organizers did not run as smoothly as it is described above. The process fell short in terms of trust and positive enforcement which in turn meant that the companies were not able to fully benefit each other’s skills and knowledge. Of the partners, the business consult partner remained distant and formal from all the actors. The lack of trust among the companies led to little joint co-creation. Glimpses of intensive co-creation was shown for the first time on the fieldtrips where collaboration and shared learning experiences rose to a new level due to enthusiasm, team spirit and newly found trust. Still, the business consult partner remained detached on the fieldtrip as well. The creation process between individual companies and the NGO progressed, but in terms of the whole group coming together, it fell short. The lack of trust, especially towards the business consult partner, seemed to be a major factor slowing down the co-creation. Also, the actors did not find the “same language”, but kept their own jargon. Of course, one must remember that this study included the first six months of the co-creation process. But what can be said is that six months was not enough to reach all goals of co-creation.

Also, not all targets and objectives for the Weconomy Start program were clear from start of the program; rather some of the objectives were set as the program developed. This manifested for example as changes to the role of the NGO partner. At the beginning of the Weconomy Start, the NGO partner did not seem to understand the total value they had to offer for the businesses; especially the value in networks, local knowledge and scalability benefits they had with these. However, they did understand this a bit further down the line and it changed the way they saw the program; how to leverage the program, how to use it in their own field work and finally how to learn from it to better achieve their own mission. The NGO partner also started to take a stronger leader position in the Weconomy Start program during the late spring and a more serious attitude towards the program’s future. Also, one of the objectives at

beginning of the program was that companies would form shared goals and businesses, but this was not encouraged enough by the organizers or the Weconomy Start program.

5.1.2 ROOM TO IMPROVE INTERACTION

Practicalities play a more invisible role in the co-creation process, but they are the supporting elements that ensure the effectiveness of the process. Practicalities become more visible when they do not run as smoothly as one would expect. Still, we can learn from these situations as well.

The workshop days were conducted as sessions each led by one of the Weconomy Start program partners. This made sense as they all had their own areas of expertise, but it also caused a challenge in regards to the co-creation process. The sessions went fairly easy into a "presentation mode" resulting a seminar type of a workshop day which works at the beginning when BOP information void is huge, but in the long run it may even prevent interaction and freeze the co-creation process. As the co-creation process advances, the portion of presentations should decrease and the proportion of discussion dialogs and shared learning should increase. After all, interaction is in the center for making co-creation happen and co-creation cannot exist without interaction; it fuels from the exchange of thoughts, ideas and two-way learning. In this process, there was a lack of experience in facilitating shared learning, or responsibility gap on who should take the lead in making sure that this was followed through during the entire co-creation process. Partners concentrated on the content of their own session, but the flow of the entire workshop day lacked focus. For example, there was clear difference in the levels of discussion when the companies were divided into smaller conversation groups or directly encouraged to ask more questions from the partners as well as each other (#1E, 25.-26.2.13). The lack of interaction, especially during the early stages of the co-creation process, might also be one of the reasons why there was no joint co-created BOP initiatives by the companies, rather they all concentrated on co-creating new BOP businesses with the partners.

What was also noticeable in this co-creation process and may have effected on the level of interaction indirectly, was that some of the companies were absent from a few the workshop days. Co-creation takes commitment in terms of effort and time. The absence of one these companies in such a small co-creation group has an indirect effect on the other companies as

well; motivation to take part and interact intensively with companies that do not make time for the co-creation process decreases easily.

5.1.3 POWER RELATIONS AND CULTURAL DIFFERENCES

The NGO studied in this co-creation process was a big international organization with a large global network. The NGO had a lot of influence on deciding who gets to take part the program and who was left out. Also, the NGO had huge potential knowledge wise and in regards of their global networks to give to the companies to use as leverage to scale out initiatives they find worth investing on. The NGO was not shy about these “size benefits”, rather they promoted them openly (#4E, 26.2.13), which showed confidence and could also be seen as a statement of power.

Mansuri and Rao (2004) conducted community-based survey finding out that power relations within communities between elites, community headmen, leaders, or otherwise influential people and the rest of the community people can lead to unequal decision making and benefits from a project. Further, these community influentials are often used as entry points to a community and as result they may also be able to control information in and out the community to the NGOs (Arora & Romijn, 2009). This is of course natural approach for NGOs, but it also means that close attention needs to be paid so that all the voices within the community are heard. The NGO in this co-creation process used similar approach in their fieldwork. The fieldtrips were made into countries that had traditional social hierarchy levels that remain still in some form in the lives of the local people. The NGO fieldworkers were from a different social hierarchy level than the communities the companies worked with. In Finland, people are not used to hierarchy levels and the cultural background stems from a strong sense of equality. This cultural difference between the NGO fieldworkers and the companies showed when the companies worked alongside the NGO fieldworkers in the communities; the Finnish companies were able to talk with the local people naturally and got into a deeper level with their discussions than some of the NGO fieldworkers and the local business consult from the consult partner organization, who seemed to be at times seemingly awkward and distant with the locals. This highlights the fact that companies working in co-creation with an NGO cannot rely on the NGO to make all the fieldwork for them, rather it is important to engage and have face-to-face discussions in person with the locals and get information about the local life and

conditions from the locals themselves. The NGO field presence does not replace companies own field presence and engagement.

The companies in this study were all small or medium sized which meant that they were able to make decisions quickly and plan their new BOP business relatively flexible. It also meant that the people on the fieldtrips were in decisions-making position in the companies and were able to totally change and adapt the course of the BOP business plan if new information gave indication for that, in other words they were not there to just observe and report back. This gave opportunity for the co-creation process to keep evolving rapidly during the fieldtrips. From research, we know that large size or multinational organizations face pressure to scale up their BOP initiatives fast and wide in order to make profits quickly and to legitimize the recourses used in the project. Large size companies also do not usually have capabilities to work efficiently on small size, local projects in informal markets, since their capabilities lie mostly on developed markets exploiting size benefits. Past experiences from mature markets do not apply here. (Van den waeyenberg & Luc, 2012) This means, that all new comers in BOP markets start from the same line, without gaining advantages from their size or capabilities in developed markets. It also raises a question whether small sized companies have an advantage in BOP markets as they are able to be agile, change course of direction fast and direct recourses with low decisions-making process. Although their recourse bank is not as deep as the larger size companies', co-creation and collaboration with an NGO, especially with a larger one, opens up local knowledge and resources in a new way. Small sized companies also have a chance to survive being small, learn with low input and grow market-driven eventually scaling up.

5.1.4 DISCUSSION ABOUT BOP MARKET LEVELS

An ongoing challenge and cause of misunderstandings throughout the process was the question; what are BOP markets and who does it include. The use of the term BOP markets varied in the discussions held among the organizing partners and the same confusion spread among the companies. There was an ongoing discussion about the different levels of poverty inside the BOP markets and on which of these levels are the companies in Weconomy Start program supposed to work in or whether the working level is just simply BOP markets including all the levels of BOP. The NGO partner had strong opinions on this, because their overall goal as

an organization is to aid the poorest of the poor people. With the problem of defining the BOP market level that is supposed to be pursued in this co-creation process, the unresolved issue rises up during the first fieldtrip; are there any limits to the new BOP business models co-created in Weconomy Start program, especially in regards of the level of the BOP market. When planning a new business in a specific environment like BOP and with some possible limitations to the business model, open discussions about these limits would have been crucial to have at the beginning of the program. The first time a more thorough discussion was held on the issue, was on the fieldtrip after one of the entrepreneurs pursued a business model that was in contrast to the NGO partner's view on which level of the BOP market the new business could do business (#6D, 18.3.13). An honest discussion about the subject should have taken place well before the first fieldtrip, but it seemed that the organizing partners had not had this discussion themselves on a deeper level that would have reached consensus. It also seemed as if the NGO struggled at the beginning of the Weconomy Start program during the first fieldtrip with remembering that the companies were pursuing a profitable new co-created business, and it might not be exactly what the NGO would have expected or in the line with the NGO's agenda. Still, one of the goals in all BOP business is to strive to alleviate poverty.

NGOs generally focus their recourses to meet the needs of the poorest of the poor with an income level below \$1 a day, and with more traditional methods of addressing issues related to health care, clean water, or other basic necessities. But the actual BOP constitutes from a population of more than one level of low income people which comes to a total of 4 billion people with severe unmet needs. In order for the companies to find profitable business from these low income markets, they need to consider the entire BOP market, and they usually use a market-based approach to achieve this. In market-based approach all levels of the BOP are examined and businesses strive to find solutions that would benefit BOP markets in being more competitive, efficient and inclusive. (Hammond, et al., 2007) The co-creation process studied here did not recognize the need to discuss these issues before hand and it caused confusion and frustration among the companies, as well as among the partners themselves. Ultimately, the confusion of the situation may have been one of the reasons why one of the companies in this co-creation process exited from the process. Lessons to learn from this situation is that there is a need to discuss among parties collaborating together whether there is a focused level of income within the BOP that the co-creation process aims for finding the new business. In order for the co-creation process to run smoothly, an open discussion about these

possible boundaries needs to take place during the planning phase of the co-creation process. There is no right or wrong answer to the issue, but attention on the matter is necessary.

5.1.5 ORGANIZING CHALLENGES IN THE CO-CREATION PROCESSES

The companies faced some challenges with internalizing all the information given on the workshop days because some of the information was quite complex. It would have been beneficial if this information had been revisited a few times to make sure that this new information had been recognized. For example; a piece of important information was to comprehend the complex network of the NGO organization and its knowledge platform both in local and global terms (#6D, 26.2.13). Understanding this network and how it could be used as a knowledge platform to benefit the companies was unclear for the companies a long time after this matter was discussed for the first time. This was mostly because the conversation covering the topic took place at a very early stage of the co-creation process without coming back to it to further consider its meaning again. The timing within the co-creation process is critical in terms of learning and capacity building for creating a new business plan for BOP markets. Learning different types of business models that work in BOP context and how they differ from the more conventional business model, is for example useful to know at beginning of the co-creation process to inspire companies to look for unconventional solutions. For instance, one might argue that in this co-creation process a session held by innovative business models expert was given slightly too late, in regards that this session could have been more useful before the first fieldtrip than afterwards, as it was placed in this program. If placed before the first fieldtrip, the creative level of the entrepreneurs and companies could have been even higher than what it was, since this was one of the most insightful sessions according to the companies (#6D, 13.5.13).

The delegates of India and Sri Lanka NGOs were present only in the first two workshop days, but they seemed to have a lot of ideas and they gave lots of comments during the BOP expert presentations. The local NGO delegates picked up fast what was relevant in their local context, what ideas could work and how the different approaches could be enhanced. (#1E, 25.2.; 26.2.13.) This was all very useful knowledge for the companies and even more interaction between the Indian and Sri Lanka NGO delegates and the different experts on BOP would have been useful. The BOP expert presentations were directed to the companies, but they

were also learning experiences for the NGO delegates, who in turn shared their thoughts with the companies. During the later workshop days before the first fieldtrip, the co-creation was rather one sided; the companies learnt from the experts and visitors that shared their experiences. But since the local NGO delegates were only present on first few workshop days, the companies got local insight and feedback only when they were on the first fieldtrip and worked with the local NGO delegates that had not been on the other workshop days and therefore had missed out the opportunity to learn from them. The co-creation process could be faster and more effective, when some of the local NGO workers would also learn from the BOP experts during the entire process and have the opportunity to give feedback instantly and engage in live dialogs with the companies.

The time span of Weconomy Start program and the entire co-creation process within it was one year, and during that time new BOP business plans were expected to be ready for implementation. Of course, this study only focused on the first half of that co-creation process. During that six month co-creation process there were six workshops and one fieldtrip, but during that six month time period there were also breaks in between the workshops. When comparing the co-creation level of the workshop days and the co-creation level during the fieldtrips, the co-creation levels of the fieldtrips are clearly more intensive and productive. This raises a question whether co-creation needs more intensive face-to-face working with local NGO workers and local communities than what one fieldtrip offers in six months? It can be said on the basis of this study, that co-creation is more effective when companies, BOP experts and both local NGO workers and local communities have an opportunity to work face-to-face intensively for longer periods of time.

5.2 CO-CREATION ENHANCERS

The very base of co-creation and the basic enabler element is trust. Trust is needed in order to create conditions where co-creators can allow themselves to commit into co-creating, share their sprouting ideas and thoughts. This trust also leads to sharing new experiences, learnings and further inspiring others reach new levels in their endeavors.

5.2.1 THE RIGHT KIND OF SUPPORT

Getting support, having the chance to talk about the new business plans and ideas to different people and receiving feedback from other companies, entrepreneurs and the Weconomy Start partners is one crucial element to the co-creation process that enhances the process significantly. The network connections from the NGO are important assets also. Still, the support, feedback and new perspectives the companies give to each other during this process, seems to be priceless. For example, if companies were to travel and stay alone during the fieldtrips, they would miss out excellent opportunities to reflect their thoughts, ideas and plans with colleagues in similar situations. The inspiring and intensive fieldwork in groups with locals and other companies leads to finding out new ways of working together, not only with the locals but also with the other companies. These new ways of working together lead to discovering new ideas and new ways of understanding the local conditions and everyday life in general.

All the companies agreed that the help, discussions and mental support they gained from the other companies, was highly important and valuable. And this does not only show during the fieldtrips, but also during the workshop days. The daily activities of sparring and reflecting together their business plans and new ideas developed during group works enhanced their learning from each other. It seems that in a co-creation process where multiple individual co-creation processes are generated at the same time, the co-creation spirit spreads effectively and is amplified. But this needs that these individual co-creation processes have mutual “meeting points”, like workshop days, where interaction is enforced and encouraged. In these sorts of circumstances the companies get the kind of support that is hard to gain anywhere else, because the situation and circumstances are so rare. (#6D, 19.3.13)

5.2.2 BENEFITS OF NGO COLLABORATION

This empirical study indicates that cooperating with an NGO benefits all parties involved in the BOP co-creation process; the companies and their business, the NGO and their agenda as well as the local community. The NGO staff work in the field every day, they maintain relationships with the community and have an understanding of the local needs. This means that the NGOs have a lot of tacit knowledge, and therefore also a lot to offer to the companies; access to local networks, opportunities to learn new capabilities, local market knowledge leading to possible competitive advantages. It was also clear that the NGO studied here had

much to gain from this process, but also to lose. To legitimize their participation in co-creating new BOP business, they need to make sure that the voice of the community is heard and that the business pursues to be sustainable. Because there is a strong advocate on the community's side and an ongoing dialog, the community has a chance to express their needs and expectations in regards of the new BOP business. And this is what benefits all parties in the long run as well; BOP business striving to fill actual local needs is also more likely to succeed in the long run. Working with collaboration with an NGO also helps the companies to truly include the locals into the co-created BOP business and through this to possibly improve the company's image and legitimacy.

There seems to be a clear benefit from collaborating with a partner who has experience in participatory methods, especially in poor communities, when co-creating new BOP business and NGOs usually have this experience. From the basis of this study, I also argue that collaboration with an NGO can speed up and ease the co-creation process simply due to practical local knowledge. The local networks of an NGO help in getting to know the local environment and communities comprehensively, without having to stay at the community for an extended period of time. Of course it will take time before this can be achieved, but the NGO clearly speeds up the process, since preparations can be made before the companies arrive; discussions are already held about the upcoming events and some of the communities' questions can be answered beforehand. The NGO also has an existing relationship based on trust at the community which aids in starting open discussions also with the companies and supports understanding of each other's needs, wants and expectations towards each other. In order for these discussions to lead to further relationships, all parties need to be equally committed to the process, share knowledge and include each other into the new BOP business plans. This new way of co-creating BOP business with several partners may lead to solutions and innovations that could not have been reached if the company was the sole creator of the new BOP business.

5.3 CO-CREATION PROCESS AND ECOSYSTEM

In this study co-creation is defined as actions where actual and true needs are not just revealed in co-creation but the people and communities whose needs are considered are included in the new BOP business as part of the solution. Approaching BOP business and poverty in this

manner tries to find more socially and economically sustainable ways of doing to BOP business. Critique has been at times heavy on BOP businesses creating new, possibly even harmful needs and considering the local people only as consumers in low-income markets.

5.3.1 CO-CREATION ELEMENTS

Co-creation does not just happen. It needs building blocks, elements and efficient organization of these elements to be successful. All though the co-creation process in this study followed partially the BOP protocol, it still created its own process with unique elements. This co-creation process started with concrete, *co-creation structure elements*. Several *workshop days* were held where *building BOP knowledge* was the focus. This was achieved by *studying the research* on BOP business and by *learning from the different experts* on their BOP knowledge and experience. Having *more than one company* proved to be beneficial in a co-creation process; the companies had the support from other companies and three partners *with unique, complementary skills* all related in BOP business. The experiences and firsthand knowledge gained from the *fieldtrips* were irreplaceable for a successful co-creation process.

Co-creation partner elements are important and benefits from partners played a huge role in this co-creation process. The companies gained especially *valuable benefits from the NGO partner* in regards to the local knowhow and extensive experience from BOP markets. From the partners the companies got *support in building a new business model for the BOP markets, access to the local BOP markets* and *access to different networks* relevant to the new BOP business. The companies also received *help in building up the new BOP business ecosystem*, skilled support during the fieldtrips in gaining *access to local communities* and extensive *support in keeping up ongoing relationship with the community* during the co-creation process. Plunging into the co-creation process together with other companies gave them all *opportunity to throw ideas back and forth, get instant feedback and new perspectives* from the other companies, as well as the three partners. *Ongoing discussions and reflections* on the new BOP business plan proved to be priceless support for the companies' co-creation journeys.

The *driving elements of co-creation process* need to be present at all times during process. *Shared learning* is not just a fancy word, co-creators must be willing to learning from others

and share all the learnings among all co-creators, otherwise the learning experience remains one sided. This was not easily achieved in this co-creation process and was sometimes lacking. *High level of interaction* is needed in order to support many of the co-creation elements and seems to need ongoing support to take place. In the core of the concept of co-creation is *creating meaningful value for all* and *including all parties into the BOP business model*, but this does not happen by itself, it needs careful consideration throughout the co-creation process. *Building capabilities for all* within the BOP business model, including the local poor, is only achieved when all parties are taken in into the planning process of the BOP business. The partners helped a long way with the inclusion of all parties into the planning process of this study's companies. *Information flow* seems to be a key factor for the success of a co-creation process, all co-creation elements dependent on it. Information should flow freely among all partners and those included in BOP business. Although this was carefully planned in the studied co-creation process also, it still left room for improvements. Therefore information flow should be regularly reviewed during the co-creation process to detect development areas.

All the elements of these three categories are highly important for a successful co-creation process, but equally important is to consider how these elements are organized to support the co-creation process. By considering carefully how these elements are organized around the co-creation process, it is possible to further enhance and amplify the elements leading to a more efficient co-creation process. This study indicates that organizing these elements into an ecosystem framework would complement the co-creation process. An ecosystem framework would allow more flexibility to tailor the process according to each participant company than a program setting where everyone follows the same schedule. Also, some of the co-creation elements are such that co-creators may need to revisit them, which is not possible in a linear program setting where the process forges ahead. For example scheduled expert sessions were important to have, but having a chance to also interact with these experts afterwards by organizing the elements differently, would improve the efficiency of this co-creation process element. (#11D, 16.4.13.)

5.3.2 THE ORGANIC CO-CREATION PROCESS

From the early stages of this study, I started thinking about the Weconomy Start program as an ecosystem rather than a process or program. The Weconomy Start got critique from the companies that the program molded their co-creation process too much, lacking the opportunity to flexibly respond their individual needs. As a program, the Weconomy Start is considered to have steps following each other leading to the set goal. But, as an ecosystem, all the same elements are there but the concept of ecosystem makes us consider them a little bit differently. An ecosystem gives the companies more flexibility to customize their co-creation journey; emphasize some elements, skip another, or come back to them. It also makes it easier to find out at an earlier stage what elements of this ecosystem are relevant to the company's own BOP business ecosystem. In a co-creation process, flexibility is needed also; creation does not happen linearly. The co-creation processes of the companies in this study, all progressed at their own pace and struggled with forced timeline; "one size" did not seem to fit all. Also, individual co-creation processes can be very different in terms of their progress and still these processes keep moving forward, but different steps are taken in order to achieve that. For example the fieldtrips in this study were very different from one another; the Sri Lanka fieldtrip can be described as laidback and exploratory journey of finding out BOP opportunities, where as the India fieldtrip was more of an intensive and in-depth relationship building journey to the communities. A program setting where steps are taken according to the program, looks efficient, but does not seem to relate well into reality. A co-creation process can be planned, but only to a certain point. When placed into a framework of ecosystem the co-creation process works more efficiently. Different elements in the ecosystem are relevant to different companies. For example, here the NGO offered their network system as a platform for the companies to take advantage of, but that platform was useful for the different companies for different reasons. In a program framework the platform was offered as same solution for all the companies, where in a framework of an ecosystem the platform could have been used by the companies in many more ways, which is possible since everyone does not have follow the same co-creation path.

6 CONCLUSIONS

6.1 KEY FINDINGS AND THEORETICAL CONTRIBUTION

This study concentrated on co-creation processes because by understanding the co-creation process better it is possible to create conditions that are re double again and again in different environments. The problem is not finding the right solution to fill needs or creating a right business model to fit local conditions, even though it is all part of the co-creation puzzle, what is more important is to understand the process through which the right solution and the right business model can be found. Only this way we can create the conditions to find these solutions and business models over and over again in different environments. I believe that the learnings from this study furthered this understanding.

In this study, the hindrances of the co-creation were mostly due to “human factors”; such as relationships and power relations, expected roles of the actors, communication and interaction challenges. The business consult partner struggled with an unclear role and responsibilities throughout the co-creation process. It had numerous team members that were changing frequently causing confusion and feelings of lack of support among the companies. Further, the companies felt that the business consult partner also lacked knowhow and experience on BOP markets. During the research period, the partners were not able to refine their own co-creation process as one process, rather it remained fragmented and incohesive. This resulted in practical unclarity in the management of the Weconomy Start program and communication challenges that interfered the co-creation processes of the companies. All this reflected in trust issues from the companies; the companies doubted the business consult partner’s BOP experience and looked for confirmation in these matters from other sources. One key element of co-creation, interaction level, remained low during the study period. It would have required stronger encouragement and a more practical management from the start of the entire co-creation process. A more practical level conversation would have been needed about the different levels of the BOP markets also; now unclarity about the definition of BOP markets itself and whether new BOP ventures were supposed to be aimed for a specific BOP market level caused confusion both among the companies and surprisingly among the partners. Unclear and inconsistent manner of dealing these issues from the partner’s side affected the co-creation processes through these human factors and were arguably the main reasons behind

the exiting of one of the companies from the program. A common language to speak about co-creation was not found during the study period. Cultural differences need to be taken into careful consideration in all BOP co-creation processes, especially in regards of the company's background and in respect to the local community culture. Genuine understanding and closeness with local people is essential for BOP co-creation; understanding the everyday life and the challenges within it is vital in order for the new BOP business to answer to the local needs.

The main enhancers in the studied co-creation process seemed to intertwine relationship elements between the co-creators and other actors in the co-creation process, as well as finding a suitable NGO partner. One key factor enhancing the co-creation process of the companies was support from other companies during the program, and this sparring seemed to be priceless. The support and sparring from other companies gave the companies a chance to reflect learnings, ideas and BOP business plans. It was also a tremendous source of valuable support during the first fieldtrip and workshop days; it enhanced mutual learning and amplified co-creation spirit among the companies. NGO collaboration in this study was found as a huge asset for the BOP co-creation process; NGOs have an excellent understanding of the local conditions, needs and networks which is all vital information for the companies venturing into new BOP markets. The NGO's vast knowledge on local networks is especially beneficial for the BOP co-creation process because it can speed up the entire process and save the company's recourses. The BOP co-creation process benefits especially from an NGO partner with experience in using participatory methods, this helps the co-creation work with the community because the NGO has gained the trust of the communities and this trust acts as a leverage for the companies to get closer to the local people and learn more from them. Further, because of the NGO partnership in BOP co-creation, the community voices are better heard and companies have a better chance to truly incorporate local needs in their BOP businesses which also enhances the sustainability of the new BOP business.

A linear, step- by-step co-creation process in a program framework does not seem to match reality or give enough room for the co-creation process to reach its full potential. The companies and their co-creation processes all needed at times different types of support elements, flexibility or practical knowledge. Different pathways and options to progress and move forward. Making the co-creation process progress linear and assuming that one-size-fits-all seems to also be the reason why these types of co-creation processes are also so hard to redo

or copy in different environments. This is because all though the elements needed in co-creation are somewhat constant, the progression and the use of these elements in each co-creation process seem to vary and be somewhat unique. As a solution to this I suggest that the co-creation process should be placed in an ecosystem framework that would allow flexible and agile use of these co-creation elements. It would also make the co-creation process easier to redo in different environments, since the co-creation ecosystem framework does not depend on environmental and local conditions and is not bound by the timeframe of liner program framework. The co-creation process can also flow more organically within the ecosystem framework using the elements according to its individual needs. The effective use of the co-creation process and scaling up the new BOP business in different locations would also be more efficient, since more than one process can be managed simultaneously within the co-creation ecosystem framework. Whereas setting up a program framework for co-creation processes, copying that process and modifying it each time to fit different locations is recourse consuming and time taking project. By not pushing the co-creators through a strict co-creation program progressing step-by-step, but by allowing flexibility and individual pathways, more potential and innovation can be found and the end result maybe more than a sum of the steps taken.

6.2 MANAGERIAL IMPLICATIONS

This study brings little more substance, knowledge and adds to both practical and theoretical conversations about the topic of co-creation and into the research on co-creation processes. The main focus of this study is on co-creation process in efforts of furthering the research on it as well as offering a new perspective into the research of co-creation process. The study also provides re-enforcement to the claim that NGOs are a highly beneficial link into BOP networks and local BOP knowledge, and also that they are essential partner to have when co-creating new business at BOP markets. Besides the added new knowledge and perspectives into the theoretical field of co-creation processes, the study can benefit companies, organizations and NGOs who are searching new ways to get involved in innovative cross-sectorial partnerships, finding access to BOP markets and benefit from co-creation when creating new profitable business.

The overall co-creation process in this study followed largely on a general level the BOP protocol (Simanis & Hart, 2008) and its contents. On the bases of this study's observations, I would further develop the concept of co-creation process away from linear thinking and following steps on a preset order. The stiffness and the assumed linear progress of the co-creation process do not seem to relate to reality that is unpredictable and organic by nature. Creation processes do not progress linearly, therefore the framework supporting should not constrain it, or mold it to produce the same end result. After doing this research I strongly believe that co-creation processes would thrive more effectively in a framework of an ecosystem that allows the co-creation process to integrate into its environment, get inspiration from it and start creating its own business ecosystem at an earlier stage. This way the end result fits the local environment and several co-creation processes can be created simultaneously through the same ecosystem, but the co-creation processes are able to create local solutions. To scale up the new co-created BOP business, re-create the whole co-creation process and the framework around that it needs, takes a lot of recourses from the collaborating partners. Setting up a one year's program to co-create new BOP business takes a lot of recourses from all the partners and the companies participating, and the program can intake only certain number of companies due to recourse scarcity. But when the co-creation process is created in an ecosystem framework, the recourses can be used to multiple co-creation processes simultaneously all leading their own of co-creation paths to suit different local solutions with the same co-creation elements and recourses. It's about re-organizing the recourses and knowledge networks needed in a co-creation process more efficiently by offering an ecosystem where co-creation processes can flow without a stiff, heavy framework of a program or BOP protocol. Further, it's about bringing the co-creation process closer to reality by describing it as an organic process that includes certain elements without being constrained by time, as the more traditional innovation creation processes. This organic co-creation process develops in the BOP co-creation ecosystem forming eventually its own new BOP business ecosystem. The BOP co-creation ecosystem contains many ecosystems needed in the organic co-creation process, for example the NGO's network and ecosystem and building elements for co-creation process. The organic co-creation process uses these elements, components and other ecosystems as they are needed in individual processes to move forward and further develop the co-creation solutions incorporating itself into these relevant ecosystems. Not being bounded by time and place, the organic co-creation process is able to be creative and use flexibly the different elements to co-create local solutions. The end result is likely to be different than what it would have been with a preset mould.

6.3 FUTURE DIRECTIONS

The scope of this study in regards of companies in Weconomy Start program had variation in terms of size of the company, but the number of the companies was limited. Therefore, more empirical research on co-creation processes is needed, since the topic remains still under studied. Further understanding on how to manage these processes successfully and learnings from both success and failure stories would be beneficial for the research field. Empirical research would be especially beneficial since it seems that all co-creation processes have individual needs of support at different stages of the process, but the elements needed in these processes are similar. Also, because the co-creation process research as a study field is quite young, new perspectives on co-creation processes is still needed, there is no reason why innovative ways to manage the co-creation process should not be further developed. Still, this study does provide experiences from several individual co-creation processes that have valuable learning experiences.

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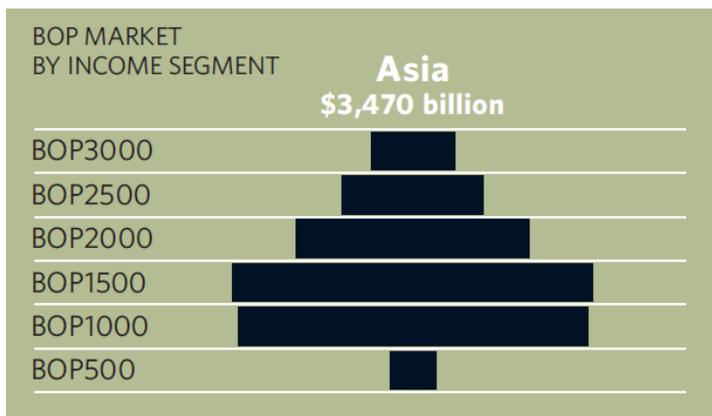
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BOP market—\$5 trillion

TOTAL BY INCOME SEGMENT

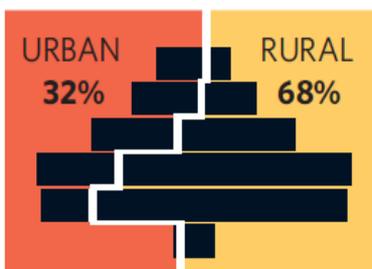


BOP market size (Hammond, et al., 2007).



Asia BOP market size by income segments (Hammond, et al., 2007).

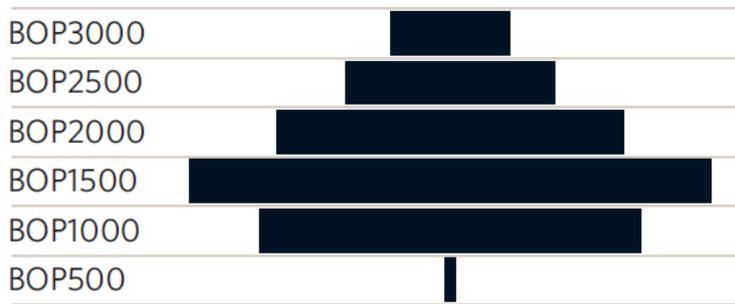
Asia



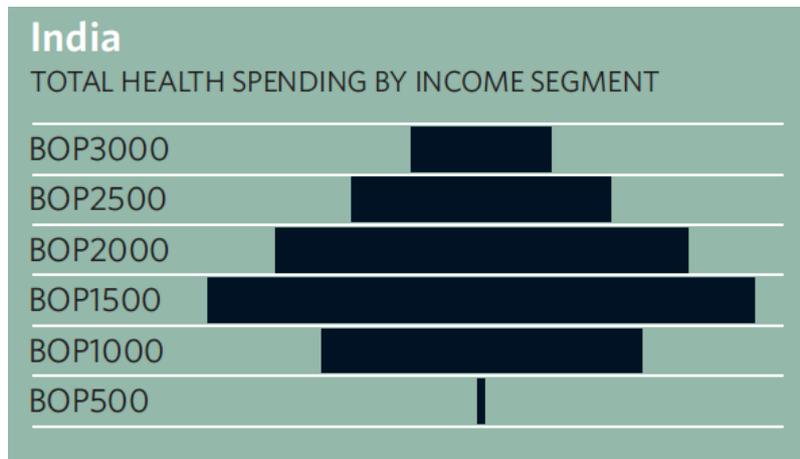
Total BOP spending by income segments (Hammond, et al., 2007).

India

SPENDING BY INCOME SEGMENT

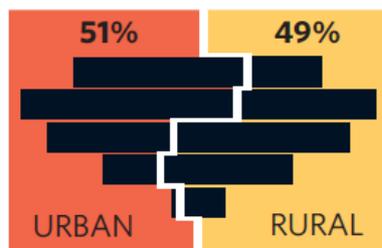


Spending by income segments in India (Hammond, et al., 2007).



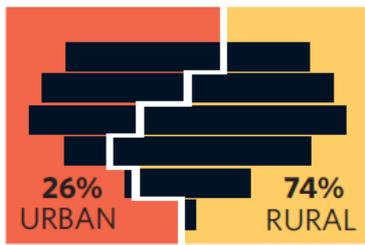
Health spending by income segments in India (Hammond, et al., 2007).

India



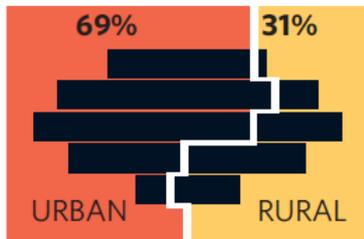
BOP ICT spending by income segments in India (Hammond, et al., 2007).

India



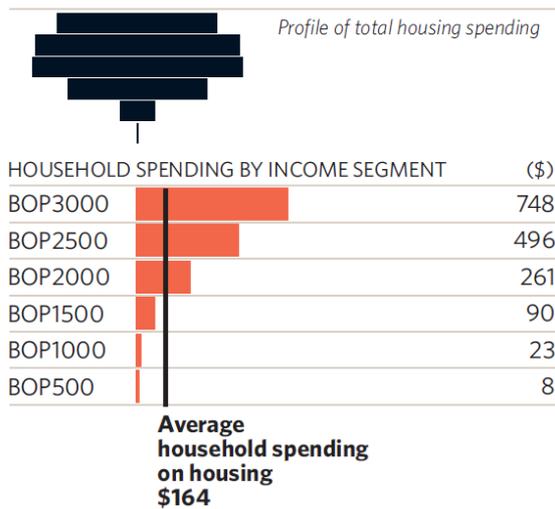
BOP water spending by income segments in India (Hammond, et al., 2007).

India



BOP food spending by income segments in India (Hammond, et al., 2007).

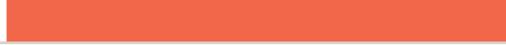
India



(Hammond, et al., 2007)

India

SHARE OF HOUSEHOLD SPENDING ON ENERGY (%)

BOP3000		10.8
BOP2500		11.1
BOP2000		11.5
BOP1500		11.8
BOP1000		12.5
BOP500		14.2

(Hammond, et al., 2007)

India

SHARE OF HOUSEHOLD SPENDING, TRANSPORTATION (%)

BOP3000		4
BOP2500		3
BOP2000		2
BOP1500		2
BOP1000		1
BOP500		1

(Hammond, et al., 2007)

INDIA

Total national household market \$1,421,921.7 million

Population 973.0 million

Households 183.3 million

BOP segment	Population			Annual expenditure		
	Total (millions)	Share (% of national)	Urban (% of segment)	Total (\$ millions)	Share (% of national)	Urban (% of segment)
BOP3000	31.5	3.2	67.6	89,836.0	6.3	72.4
BOP2500	68.3	7.0	53.4	159,043.6	11.2	62.4
BOP2000	147.0	15.1	37.4	264,285.7	18.6	45.4
BOP1500	309.0	31.8	19.8	394,937.0	27.8	28.2
BOP1000	349.0	35.9	8.2	288,957.9	20.3	13.8
BOP500	19.3	2.0	5.6	8,608.2	0.6	8.8
BOP total	924.1	95.0	22.0	1,205,668.5	84.8	31.1

BOP expenditure by sector

\$ (Boldface numbers are millions)	Total BOP	BOP 500	BOP 1000	BOP 1500	BOP 2000	BOP 2500	BOP 3000	Urban / rural (% of BOP)
Per capita	920	328	620	928	1240	1514	1757	
Per household	4640	1772	3616	4610	5607	6229	6448	
Housing	30,125.1	27.1	1,383.0	5,588.8	8,479.6	8,230.2	6,416.4	100/0
Per capita	33	1	4	18	58	121	204	
Per household	164	8	23	90	261	496	748	
Water	1,213.2	2.5	117.9	268.7	350.3	294.7	179.1	69/31
Per capita	1	0	0	1	2	4	6	
Per household	7	1	2	4	11	18	21	
Energy	142,046.4	1,223.8	36,244.6	46,683.1	30,438.1	17,718.7	9,737.9	30/70
Per capita	154	63	104	151	207	259	309	
Per household	775	342	606	751	937	1067	1135	
Household goods	21,028.6	151.9	4,762.4	6,696.3	4,571.1	3,013.6	1,833.1	29/71
Per capita	23	8	14	22	31	44	58	
Per household	115	43	80	108	141	182	214	
Health	35,112.5	145.2	6,664.4	11,395.3	8,580.7	5,403.0	2,923.9	27/73
Per capita	38	8	19	37	58	79	93	
Per household	192	41	111	183	264	325	341	
Transportation	24,844.2	85.2	3,250.2	6,600.6	6,256.7	5,162.7	3,488.8	36/64
Per capita	27	4	9	21	43	76	111	
Per household	136	24	54	106	193	311	406	
ICT	7,767.5	9.4	355.3	1,283.9	2,042.9	2,396.1	1,679.9	51/49
Per capita	8	0	1	4	14	35	53	
Per household	42	3	6	21	63	144	196	
Education	14,117.3	26.2	1,575.8	3,605.0	3,820.4	2,958.8	2,131.2	50/50
Per capita	15	1	5	12	26	43	68	
Per household	77	7	26	58	118	178	248	
Other	79,167.6	601.7	18,390.2	26,093.9	17,517.7	10,466.1	6,098.0	29/71
Per capita	86	31	53	84	119	153	194	
Per household	432	168	308	420	539	630	710	
Total	1,205,668.5	8,608.2	288,957.9	394,937.0	264,285.7	159,043.6	89,836.0	29/71

Note: All dollar amounts in 2005 PPP

Household expenditure by sector

	National (\$ millions)	BOP (%)
Food	965,108.6	88.1
Housing	62,123.3	48.5
Water	1,723.1	70.4
Energy	162,903.5	87.2
Household goods	26,692.0	78.8
Health	41,178.1	85.3
Transportation	35,022.0	70.9
ICT	14,758.8	52.6
Education	19,838.6	71.2
Other	92,573.7	85.5
Total	1,421,921.7	84.8

Sector shares of household expenditure (%)

	National	BOP
Food	67.9	70.5
Housing	4.4	2.5
Water	0.1	0.1
Energy	11.5	11.8
Household goods	1.9	1.7
Health	2.9	2.9
Transportation	2.5	2.1
ICT	1.0	0.6
Education	1.4	1.2
Other	6.5	6.6
Total	100.0	100.0

(Hammond, et al., 2007)