



LUND UNIVERSITY
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The management of dynamic service innovation capabilities in different types of service innovation

A single case study

Exploring and comparing the application of dynamic service
innovation capabilities within different types of service innovation

by

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05/2019

Master's Programme in Entrepreneurship and Innovation

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Abstract

Title: The management of dynamic service innovation capabilities in different types of service innovation: a single case study exploring and comparing the application of dynamic service innovation capabilities within different types of service innovation.

Keywords: Service innovation management, service innovation process, archetypes of service innovation, dynamic service innovation capabilities, service resources, knowledge integration, service delivery design, service offering.

Research questions: Which dynamic service innovation capabilities are used in different types of service innovation? How are they used in the different types? And why does their application vary?

Methodology: The study has been conducted through investigating multiple cases within a single case company and followed a qualitative research strategy to identify (the application of) dynamic service innovation capabilities in the archetypes of service innovation. The data was collected through a combination of unstructured and semi-structured interviews and analysed based on the approach presented by Eisenhardt (1989).

Theoretical perspective: Literature in the fields of service innovation, new service development and categorization of types of service innovation formed the basis for the theoretical review. Further, research on the service innovation process and the management of its resources, knowledge and capabilities was explored to explore key debates on the management of different types of service innovation.

Conclusions: All dynamic service innovation capabilities (DSIC) play important roles in the process- and output service innovation archetypes. The output-based archetype requires smaller attention to Signalling User Needs and (Un-)bundling. First, DSIC's in the process-based archetype are managed towards identifying specialized knowledge used as input for changes to the components of the service delivery process. Second, DSIC's in the experiential type are managed with strong focus on identifying tacit knowledge of service delivery experts and subsequently converting this knowledge to use for changing the perception of the customer. Third, DSIC's in the output-based archetype are managed with extra attention to integration of synergetic (internal & external) specialist knowledge used for managing the reconfiguration of the service attribute changes. Differences between the application of DSIC's across archetypes are driven through the variations between the distinct archetype objectives.

Acknowledgements

We want to start by thanking our supervisor Joakim Winborg for his support and advice throughout the course of writing our master's thesis. Also, we would like to thank the fellow students in the program for the useful feedback they have provided us with.

We want to thank our company mentor and all the people within the case company for their help and support during this period. With their input we have been able to finalise our thesis successfully.

Additionally, we want to thank our friends and family that have supported us throughout the process of this thesis. In special, we want to acknowledge the great support received from our friend Andres Vargas.

Lastly, we want to thank each other for the support and great collaboration throughout the process.

Table of Contents

1. Introduction	7
1.1 Background.....	7
1.2 Problem discussion.....	8
1.3 Purpose & research question	10
1.4 Case company.....	10
Chapter 2: Literature review	12
2.1 Service	12
2.1.1 Service definition.....	13
2.2 Service Innovation	13
2.2.1 Service innovation definition.....	13
2.2.2 Types of service innovation.....	14
2.3 New Service Development	16
2.3.1 New service development process.....	16
2.3.2 New service development resources.....	17
2.4 Service innovation resources.....	18
2.4.1 Resource-Based View.....	18
2.4.2 Knowledge-based view.....	19
2.4.3 From resources and knowledge to dynamic capabilities	22
2.4.4 Dynamic Capability View	22
2.4.5 The role of DSIC in SI.....	24
2.5 Service Innovation & Dynamic Service Innovation Capabilities.....	27
2.5.1 Service Innovation Approach	27
2.5.2 Service Innovation Aim.....	27
2.5.3 Service Innovation Process.....	28
Chapter 3: Research Design	30
3.1 Research approach.....	30
3.2 Research strategy and design.....	30
3.2.1 Single case study.....	30
3.2.2 Research process.....	31
3.3 Data collection methods	31
3.3.1 Sampling	31
3.3.2 Unstructured interviews.....	32

3.3.3	Semi-structured interviews	32
3.3.4	Interview guide	33
3.4	<i>Interview preparation</i>	34
3.5	<i>Ethical considerations</i>	35
3.6	<i>Data analysis</i>	35
3.6.1	Data analysis process	35
3.7	<i>Validity and reliability</i>	36
4.	Findings	37
4.1	<i>Process-based archetype</i>	37
4.1.1	Signalling user needs	37
4.1.2	(Un-)Bundling	38
4.1.3	Co-producing & orchestrating	40
4.1.4	Conceptualising	41
4.1.5	Learning & Adapting	42
4.1.6	Scaling & Stretching	44
4.2	<i>Experiential archetype</i>	45
4.2.1	Co-producing & Orchestrating	45
4.2.2	Signalling user needs	46
4.2.3	(Un-)Bundling	47
4.2.4	Conceptualising	48
4.2.5	Scaling & Stretching	49
4.2.6	Learning & Adapting	51
4.3	<i>Output-based archetype</i>	52
4.3.1	Co-producing & Orchestrating	52
4.3.2	Conceptualising	54
4.3.3	Scaling & Stretching	55
4.3.4	Learning & Adapting	56
5.	Discussion	58
5.1	<i>Process-Based Archetype</i>	58
5.1.1	Signalling user needs (SUN)	58
5.1.2	(Un-)Bundling	59
5.1.3	Co-producing & Orchestrating	59
5.1.4	Conceptualising	60
5.1.5	Learning & Adapting	60
5.1.6	Scaling & Stretching	61
5.1.7	Essentials	61

5.2 <i>Experiential Archetype</i>	62
5.2.1 Co-producing & Orchestrating	62
5.2.2 Signalling user needs	62
5.2.3 (Un-)Bundling.....	63
5.2.4 Conceptualising	64
5.2.5 Scaling & Stretching.....	64
5.2.6 Learning & Adapting.....	65
5.2.7 Essentials	65
5.3 <i>Output-Based Archetype</i>	66
5.3.1 Co-producing & Orchestrating	66
5.3.2 Conceptualising	66
5.3.3 Scaling & Stretching.....	67
5.3.4 Learning & Adapting.....	67
5.3.5 Essentials	68
5.4 <i>Conclusion</i>	69
5.4.1 Process-based archetype	69
5.4.2 Experiential archetype	70
5.4.3 Output-based archetype	70
6. Conclusion	73
6.1 <i>Managerial implications</i>	75
6.2 <i>Limitations</i>	76
6.3 <i>Future research</i>	76
List of References	77
Appendices	84
<i>Appendix I: Illustration of distinction between archetypes</i>	84
<i>Appendix II: Interview Guide</i>	85
<i>Appendix III: 1st order concepts and representative quotes</i>	88

1. Introduction

1.1 Background

Service innovation (SI) has become more dominant for the world's advancing economies, as services continuously gain more revenue share for businesses (Cusumano, 2010; Ostrom et al., 2010; Biemans et al., 2016). The field has established common ground through a service-dominant logic approach, stressing the unique characteristics of services in comparison to the traditional goods-dominant approach (Vargo & Lusch, 2004; Vargo et al., 2009; Biemans et al., 2016; Lusch & Nambisan, 2015). From a similar perspective, many authors add relevance by describing the uniqueness of New Service Development (NSD) as a process, and how this process fundamentally differs from approaches common for New Product Development (Lovelock & Gummesson, 2004; Lusch & Nambisan, 2015; Barquet et al., 2012).

To provide businesses with generic approaches providing insights on how to manage different types of SI, many scholars attempted to produce generalisable concepts, resulting in a great variety of possible solutions (Den Hertog et al., 2010; Skålen et al., 2015; Helkkula et al., 2018). However, strong similarities between the most frequently used typologies of SI have been recognized through a recent empirical study in the SI field, leading to the establishment of four archetypes of SI (Helkkula et al., 2018). These archetypes represent the independent variable studied in this paper.

To identify individual factors influencing the process of SI, research on New Service Development (NSD) has provided valuable insights for SI scholars. However, to be able to identify influential factors, different steps in the process must be specified. Most writings on the NSD process have been based on a sequential model proposed by Scheuring & Johnson (1989) (Biemans et al., 2016).

Besides identifying sequential steps in the process of SI, determining how resources in the process should be managed proved essential for innovation management. To understand the role of resources, the Resource-Based-View administers a perspective appropriate for researchers making use of the Service-Dominant-Logic (Collis & Montgomery, 2008; Möller et al., 2008; Vargo & Lusch, 2004). However, the intangible nature of service and its implications to management of innovating services required a more specific focus. Consequently, researchers made use of this view and further focused specifically on knowledge as a resource in the Knowledge-Based-View (Grant, 1996). In both theories, integration is a

crucial concept as it is viewed as the main source for sustainable competitive advantage (Teece et al., 2007; Collis & Montgomery, 2008; Grant, 1996). Considering the crucial role of knowledge- and resource integration, being able to manage the individual components and its complementarity has proved essential (Den Hertog et al., 2010). This conclusion is widely recognized by authors, which led to the emergence of the Dynamic Capability View (Teece, 1997).

In the Dynamic Capability View, resources are conceptualized as capabilities and implications mitigating the challenges that typify SI are presented (Teece, 2007). To provide a more pragmatic focus on this, specifically for SI, Den Hertog et al., (2010) have conceptualized six Dynamic SI Capabilities (DSIC): Signalling User Needs & Technological Options, Conceptualising, (Un-)Bundling, Co-Producing & Orchestrating, Scaling & Stretching and Learning & Adapting (Den Hertog et al., 2010). These capabilities are investigated as the dependent variables in this study. The role of DSIC in SI has been researched by Wu & Nguyen (2019), resulting in insights on how DSIC affect a firm's performance. Also, Janssen et al. (2018) quantitatively studied the essence for innovative knowledge intensive business service firms to develop dynamic capabilities, providing reasons to develop one or more of the DSIC's. Conclusively, the Service-Dominant-Logic view on SI has provided challenges for researchers to determine how businesses should manage resources, knowledge and capabilities in the SI process. After determining the type of SI, companies and researchers become better able to understand which type of capabilities require the most focus. However, to be able to respond to fast changing business environments, understanding the differences between and understanding the use of Dynamic SI Capabilities in different types of SI could provide sustainable competitive advantages.

1.2 Problem discussion

Evident from research on service, SI, NSD and the process of SI, researchers struggle with identifying best practices for companies when it comes to managing SI (Biemans et al., 2016). Especially from a service-dominant logic view, the unique nature of service challenges companies to understand their SI process and develop a suitable approach (Vargo & Lusch, 2004; Lovelock & Gummesson, 2004; Barquet et al., 2012; Storey & Hughes, 2010). Given the complex nature of services, academics focused primarily on identifying types of service and types of SI to provide companies with an understanding in which SI field they are operating (Jaakkola et al., 2017; Witell et al., 2016; Helkkula et al., 2010; Snyder et al., 2016; Biemans

et al., 2016). As a result, a distinction between SI archetypes provided businesses with an understanding of the differences between SI types and their varying outcomes (Helkkula et al., 2010).

However, without understanding the role of resources, knowledge and capabilities in the SI process, businesses would not be able to develop a pragmatic SI approach. Consequently, SI literature focused on determining which resources are used in the process and what outcomes are likely reached when specific resource configurations are used (Scheuring & Johnson, 1989; Storey & Hughes, 2013; Zomerdijk & Voss, 2011; Collis & Montgomery, 2008). Even after doing so successfully, companies continue to struggle with managing the SI process, essentially due to the dynamic and intangible nature of service resources (Teece et al., 2007). Critically, being capable of integrating required resources or knowledge as a resource presents arguably the greatest challenge for innovation management (Teece et al., 2007; Collis & Montgomery, 2008; Grant, 1996). Continuously, knowing what SI outcome can be reached through using or not using a particular resource or knowledge configuration in the process does not provide businesses with an understanding of how these resources should be managed in the process, which conceivably differs per type of SI, exposing a clear gap in literature.

As recent scholars increasingly use the Dynamic Capability View of resources for investigating the management of the process of SI, nascent opportunities for research are further exposed (Teece et al., 2007; Lusch & Nambisan, 2015; Froehle & Roth, 2007). The Dynamic Service Innovation Capabilities (DSIC) conceptualize resources in congruence with the service-dominant logic perspective and thus enable researchers to conduct a relatively narrowly focused research on the use of resources in the SI process. Consistently, recent research calls for qualitative studies aimed at investigating how service companies use DSIC in their SI process (Helfat & Peteraf, 2003; Teece, 2007; Lyons et al., 2007; Ambrosini et al., 2009; Den Hertog et al., 2010; Janssen et al., 2016; Nenonen et al., 2018).

By making use of the conceptualized archetypes of SI, researchers are capable of sharply identifying different approaches to SI used by a service company. Individually, the DSIC literature provides researchers with the opportunity to identify how DSIC are used in the SI process. Beyond doubt, this demonstrates an evident academic gap, providing researchers opportunities to investigate how DSIC are used in different archetypes of SI (Den Hertog et al., 2010; Biemans et al., 2016; Wilden et al., 2017; Nenonen et al., 2018). In an attempt to clarify how DSIC are used differently or similarly between different archetypes of SI, this

research aims to provide understanding for businesses and academia of how to manage the configuration for specific types of SI.

1.3 Purpose & research question

Research on how businesses should manage their SI resources and knowledge has provided businesses with opportunities for choosing specific configurations when aiming for a specific objective through SI. As different types of SI conceivably require varying but also similar means of SI capabilities, this research aims to investigate what are these means and how do they differ between SI types. Therefore, this study focuses on exploring which dynamic SI capabilities are used in the different types of SI (1), exploring how these capabilities are used within the types (2) and comparing the differences between the (use of) dynamic SI capabilities between the types of SI (3), leading to the following research questions:

Which dynamic service innovation capabilities are used in different types of service innovation? How are they used in the different types? And why does their application vary?

The purpose of this research is to explore how a service company manages its SI capabilities for different types of SI. The identification of which types of capabilities are used within the management of the different types of SI is intended to present implications for the configuration of dynamic SI capabilities for SI types (1). Exploring how these capabilities are manifested within the separate cases serves two causes: identifying similarities and differences between the varying applications of DSIC (2.1) and providing context for cross-case comparison (2.2). Investigating the differences between the cross-case application of capabilities is done to identify causes that imply generalization for the varying use between the types of SI (3). Consequently, the research question aims to provide nascent insights for the field of SI by exploring which DSIC are used in different types of SI and (the logic of their) varying application.

1.4 Case company

The case company is a privately-owned company and part of a privately-owned group. The company operates within the health industry. The aim of the company is to develop and grow its global presence. The industry is characterized with constant development and fast-changing trends. Also, the industry has been through a constant growth over recent years, showing high potential for innovation. Also, the industry is characterized by a strong competitive

environment, demanding constant change and improvements from players in the industry to satisfy customers' needs.

The case company can be characterized as a company with a strong culture. This culture is carried throughout the company and can be defined a strong entrepreneurial orientation in which the company as a whole but also individual departments are constantly on the quest to find ways to improve their offerings. This entrepreneurial mindset has been one of the main drivers of the company growth. This constant change and growth have made the company subject to many development projects, Development projects with varying strategic aims and different outcomes on service offerings. Because of this, the case company makes an interesting subject of research as they can function as a revelatory case by presenting thoughts about different types of SI processes.

Chapter 2: Literature review

This chapter commences with conceptualising and defining service to provide context and understanding. To clarify and put the concept in practice, different types of service will be elaborated. Further presenting the overall scope of the research, service innovation (SI) will be conceptualised. Next, different types of SI will be explained to provide context and understanding. Essentially, approaches to SI will be introduced, presenting the archetypes of SI, focus of this study. To provide understanding of how services can be innovated, the focus narrows to explaining the process of SI presented from New Service Development literature. Consequently, different components of the SI process will be presented through the presentation of SI resources. Building on that, knowledge as a resource will be explained from the Knowledge-Based-View. Eventually, the integration of resources and knowledge results in the presentation of the studied variables of this study: Dynamic Service Innovation Capabilities (DSIC). The chapter concludes with presenting studies aiming to define the role of Dynamic Service Innovation Capabilities in service innovation completed through a synthesis of the presented literature.

2.1 Service

The world's most advanced economies are dominated by services, often generating over 70% of the gross domestic product (Cusumano, 2010; Ostrom et al., 2010, Biemans et al., 2016). Compared to the common concepts in the dominant view of product innovation as a source for company growth, SI has been subject to great variation when it comes to finding a dominant model for opportunity recognition, value creation and value capturing (Biemans et al., 2016, Vargo and Lusch, 2004, Barquet et al., 2012, Storey & Hughes, 2010). With most business innovation tools building on product marketing logic, SI suffers from limited amount of structuring processes for development of new value (Vargo & Lusch, 2004, Vargo & Lusch, 2008, Lusch & Nambisan, 2015, Biemans et al., 2016, Barquet et al., 2012). Due to unique service characteristics of intangibility, heterogeneity, inseparability, and perishability in comparison to products, the process of SI can vary significantly from product innovation (Lovelock & Gummesson, 2004). The service-dominant logic as described by Vargo & Lusch (2004) provides a distinctive view on services and its impact on SI.

2.1.1 Service definition

The traditional view of services and goods has been recent subject to discussion in the academic field of SI (Biemans et al., 2013). To analyse innovation opportunities from a service perspective, the unique nature of service requires elaboration on distinctive characteristics in comparison to a goods-dominant perspective (Biemans et al., 2016). The goods-dominant logic views production processes as separate, with a manufacturing role responsible for the process of creation resulting in a tangible output, and customers in the role of ‘using’ the product resulting from the process (Lusch & Nambisan, 2015). This paradigm has been dominant in research fields of marketing and manufacturing, but its usability has been questioned by researchers focusing on SI (Biemans et al., 2013).

Contributing to the establishment of a paradigm, Vargo & Lusch (2004) state that “goods-dominant logic focuses on separation and control of actors to optimize and manage tangible outcomes of economic processes”. In contrast, service-dominant logic reflects on the role of the firm within exchange of services, where firms contribute their competences for benefit of the customer (Vargo & Lusch, 2008). In this case, value of the contribution depends on the role of the customer within the exchange of service or the fit between demanded competences and the offered service exchange. An example of this can be found in the difference between the meaning of the word computing, which can be viewed as a process, compared to a computer which is viewed as an outcome of a process (Lusch & Nambisan, 2015). In short, service from a service-dominant perspective means applying specialized competencies through deeds, processes, and performances for the benefit of another actor or the actor itself (Vargo & Lusch, 2004). Following the SDL, Maglio & Spohrer (2013, p. 666) consider “economic entities to be a collection of resources, including people, technologies, organizations and information”.

2.2 Service Innovation

Service Innovation has been defined by numerous scholars in varying manners. To provide context for current research, the next section presents the most relevant definitions from the field of SI and provides the definition followed in the present study, followed by typologies of SI used for this study.

2.2.1 Service innovation definition

The concept of SI is broad and loosely defined, challenging researchers to reach a consensus on the contexts of SI, types of SI and process of SI (Witell et al., 2016). From a traditional

viewpoint, Schumpeter (1934) viewed innovation as a novel combination of new and existing knowledge, which should be distinguished from inventions. The interpretation of what is ‘new’ is explained as something that “not only creates value for the developing firm, but also changing the market in the way that other companies imitate and follow, leading to development of a specific branch” (Schumpeter, 1934). Several authors have distinguished between the level of novelty of a service, resulting in either incremental (improved) or radical (completely new) SIs (Sundbo, 1997; Toivonen & Tuominen, 2009). Adding to that, Helkkula et al. (2010) proposed that firms individually cannot determine the newness of a service, as it depends on the adaptation of the customer. Following, recent emphasis in research has been on customer value that is created through SI, rather than economic value for the firm generated by the new service (Lusch & Nambisan, 2015). These authors emphasize the relevance of the role and use of resources in the process of new value creation, leading to their following definition of SI: “The bundling of diverse resources that create new resources that are beneficial (e.g. value experience) to some actors in a given context” (p. 161). This view presents the rational approach to SI adopted in this study, as innovation is not valuable for a firm unless it is adopted by customers or exchanged with other resources, generating new value for the firm.

Based on an empirical analysis of 1301 articles discussing SI, Witell et al. (2016) concluded that SI as a ‘new service’ is the most common interpretation. This means that every service firm is innovating their services through either changing the existing service or creating new services. Importantly, Witell et al. (2016) emphasize the relevance of defining the concept of newness for researchers to identify which organizational arrangements are required to develop the SI. Conclusively, in this paper, SI is regarded as innovating the process or organisation of developing new or changing services and the result that originates from this respective change or development.

2.2.2 Types of service innovation

Within the SI research field researchers have aimed to conceptualize different types of SI, but there is no consensus towards an overarching model. Instead, the research area consists of diverging approaches and perspectives regarding types of SI (Snyder et al., 2016). These differences arise from different aims of the SI and the roles of firms and customers within the process of SI (Skålen et al., 2015). As a result, within this research, the archetypes proposed by Helkkula et al. (2018) will be used as a starting point. The archetypes of Helkkula et al. (2018) are chosen as the authors are the most recent scholars who developed a classification of different approaches of SI through empirical research. Thereafter, other scholars and their

descriptions of different approaches will be categorized within Helkkula et al.'s approaches. In this way, the authors aim to group the dispersed categorization of the approaches in one common approach to categorizing SI.

Service Innovation Approaches

Helkkula et al. (2018) propose four different archetypes of SI; Output-based, process-based, experiential and systemic. These archetypes are paradigms from which to approach SI. Consequently, this affects the outcome and the role of different actors within the process (Helkkula et al., 2018).

The output-based archetype describes services innovation as changes of the attributes that make up the service offering (Helkkula et al., 2018). These changes in service offering relate to new tangible and intangible aspects of the offering (Helkkula et al., 2018). This is in line with how Skålen et al. (2015) describe the adaptation-based view on SI, in which they describe the change of a service offering by integrating resources. Den Hertog et al. (2010) describe this approach as new service concept dimension of SI. The outcome in this archetype is focused on how the company makes changes to their own service offering. The role of the customer within this approach is as passive adopter of the new offering (Helkkula et al., 2018).

The next approach Helkkula et al. (2018) describe is the process-based archetype. This archetype evolves from the view that service is a process and that this process can be divided into different elements of the offering (Helkkula et al., 2018; Gallouj & Weinstein, 1997). SI within this view is about changing parts of the entire service delivery process (Gallouj & Weinstein, 1997; Michel et al., 2008). This can take place in shifting roles, competencies, skills, practices or behaviours from both employees and customers (Helkkula et al., 2018; Martin et al., 2016). Similarly, Den Hertog et al. (2010) describe the dimension of new delivery system. This archetype portrays a more active role for the customer than in the output-based archetype, the customer is part of the process and can be part of the change (Helkkula et al., 2018). The practice-based type of innovation described in Skålen et al. (2015) is similar to this archetype, proposing that new practices are introduced within the service offering through using existing resources.

Where the previous archetypes take an inside-out approach of innovation, the experiential archetype has an outside-in approach. Meaning that customers are the starting point of innovation practices. (Helkkula et al., 2018). This archetype focuses on innovation in the experience of customers (Helkkula et al., 2018). Similarly, this is in line with how Martin et al.

(2016) describe experience innovation. This arises from the view that the service is only valuable when customer interaction takes place, and the moment of interaction determines the value (Vargo & Lusch, 2008). The outcome of this type of innovation should be changing the perception of the service offering with the customer taking a central role (Helkkula et al., 2018).

The last archetype described is the systemic archetype (Helkkula et al., 2018). This archetype assumes that services exist within a service system that consists of multiple actors such as, the firm, suppliers and customers that are interconnected (Helkkula et al., 2018). Innovation within this archetype can be seen as changes to and new connections between actors what Vargo, Wieland, and Akaka (2015) describe as ecosystem. Additionally, Vargo & Lusch, (2008) view ecosystems from an organizing perspective, as actors create and recreate value through their actions focusing on the exchange of service and co-creation (Vargo & Lusch, 2008). Den Hertog et al. (2010) describe this as the ‘new value system or set of new business partners’ dimension. Also, this type of SI is in line with what Skålen et al. (2015) describe as combinative innovation, in which internal and external resources work together creating new offerings.

The abovementioned archetypes of innovation present different ways SI can be approached with and how they differ in aim, focus on different actors within the process and wanted outcome. (Helkkula et al. 2018). However, the distinction that is made between the different approaches do not mean mutual exclusivity. The approaches can be used in combination and in different stages of the innovation process (Helkkula et al., 2018).

An illustration of the distinction between the archetypes can be found in Appendix I

2.3 New Service Development

To determine what the process of SI entails, researchers have attempted to define the process of SI in the field of New Service Development (NSD) (Biemans et al., 2016). Many authors question the relevance of a systemic NSD process opposed to a dynamic process, given the great variation between the nature of different types of services and the way they can be improved or newly created (Melton & Hartline, 2012; Barquet et al., 2013; Möller et al., 2008; Zomerdijk & Voss, 2011). Interestingly, authors have proposed that the design of the NSD process may depend on type of new service development (Zomerdijk & Voss, 2011).

2.3.1 New service development process

Biemans et al., (2016) pointed out in their systematic review of 231 empirical articles written over the past 30 years on the process of SI and NSD that the process of Scheuring & Johnson

(1989) is most widely used and recognized in service research. Current research explicitly follows the process of Scheuring & Johnson (1989) and does not present alternative, less dominant forms of processes in NSD.

Stemming from the New Product Development (NPD) literature, Scheuring & Johnson (1989) proposed the model based on a review of existing NPD models combined with a review with service managers of savings institutions. Their research was focused on two topics: the structure (organizational provisions) of the NSD and the process (degree of detail and sophistication) of NSD. Based on the research, they proposed a model consisting of four stages: direction, design, testing and launch.

The direction stage consists of strategy formulation and defining the objectives of developing a new service, to provide structure for the process (Scheuring & Johnson, 1989) The design stage involves designing and refining new services, their delivery system and the marketing programme (Scheuring & Johnson, 1989). Finally, the launch stage consists of bringing the service to the market in full-scale and reviewing the new service by analysing to what extent objectives have been achieved, providing input for potential adjustments (Scheuring & Johnson, 1989).

2.3.2 New service development resources

To determine what type of and how organisational resources are managed in the NSD process, the coming section presents organisational resources and their effect on NSD performance in the field of NSD research. Most NSD studies focus on the effect of whether or not using resources on NSD performance in means of output e.g. number of new services, new service success rate and financial contribution (Barczak et al., 2009; Griffin & Page, 1996, Storey & Hughes, 2013).

Team formation

Attempting to provide insights to applicable organizational approaches for NSD, many researchers have investigated the effect of team formation on NSD performance (Zomerdijk & Voss, 2011; Brown & Eisenhardt, 1995; De Brentani, 1991; Griffin, 1997). De Brentani (2001) and Vermeulen et al., (2005) have focused on involvement of front-line employees in the NSD, concluding that this is especially effective where services are created in the interaction between the provider and customer. Also, Melton & Hartline (2013) have focused on determining the effect of the use of cross-functional teams, front-line employees and knowledge interfaces on SI outcomes. In their proposed framework, they illustrate that involving front-line employees

in NSD enhances the services marketability, and the use of cross-functional teams in NSD enhances the effectiveness of launch.

Co-creation

Alternatively, NSD research has focused on the factor of customer co-creation affecting the outcomes of SI. Co-creation can be considered as customer collaboration, meaning that companies design SIs together with the proposed users of the new service (Ordanini & Parasuraman, 2011). Co-creation is primarily used for designing the service delivery process as part of an NSD process, aimed at ensuring customer satisfaction and marketability (Jaakkola et al., 2017). From the research it is evident that involving customer in the process of NSD leads to higher levels of market success in terms of profitability (Jaakkola et al., 2016; Lusch & Nambisan, 2015; Gustafsson & Kristensen, 2012). The conclusions are limited to the effect of using co-creation in the NSD process on the type of outcome to positively impacting incremental innovation rather than radical (Lusch & Nambisan, 2015).

2.4 Service innovation resources

To conceptualize resources for SI, the SDL views resources as anything an actor can draw on for support (Vargo & Lusch, 2004). To clarify, resources are regarded as a function of human appraisal which makes them dynamic and limitless. To fit the definition of resources in the SDL, the Resource-Based-View (RBV) provides a starting point for researchers. However, the usability of the RBV for SI in recent research has been increasingly criticized due to its roots in goods-dominant logic. This has led to emergence of an additional, more suitable approach through looking at resources from a Knowledge-Based-View (Grant, 1996) and a conceptualization of dynamic capabilities (Teece et al., 1997).

2.4.1 Resource-Based View

Traditional innovation thinking addresses each parties' individual competencies and competitive advantages in SI, which tends to overemphasize the service production process from either the client or service provider perspective (Möller, Rajala & Westerlund, 2008). The (RBV) of Collis & Montgomery (2008) looks at resources as physical but also intangible assets. As from the SDL, the RBV considers resources' inimitability, durability, internal control, substitutability and uniqueness, built on the dynamic capabilities of a company. Essentially, to develop competitive advantage, resources must be valuable, rare, inimitable and non-substitutable (VRIN criteria) (Eisenhardt & Martin, 2000). However, the unique nature of

services problematizes the RBV's applicability to service companies, because many of the characteristics are not applicable for resources required for the management of SI (Teece et al., 2007). In an attempt to apply the SDL to the RBV, Froehle & Roth (2007) have distinguished between three types of resources: intellectual, organizational and physical.

Intellectual resources

Froehle & Roth (2007) describe, in less distinctive terms, intellectual resources for NSD. These resources are described as the "educational, cultural and experiential knowledge and skills contained within the firm's employees". As described in the SDL, these resources can act on other resources to produce effects. Effects can be an increased or decreased firm performance in e.g. service delivery or service development processes (Kogut & Zander, 1992).

Organizational resources

Froehle & Roth (2007) describe organizational resources as necessary for effective NSD processes. Examples of organizational resources are "the management systems, attitudes, and personal relationships adopted and developed by the company" (Froehle & Roth, 2007, p. 173).

Physical resources

A more straightforward example of tangible resources is found in the classification of physical resources by Froehle & Roth (2007). Examples can be facilities, tangible technology, location and raw materials that are acted upon to create a specific effect on the NSD.

Resource integration

From the SDL, resources need to be integrated in order to manage SI successfully and create value. From the SDL view, all parties in service are resource integrators (Lusch & Nambisan, 2015). To specify, the authors elaborate: "any resource that is obtained by an actor cannot be used in isolation but needs to be merged or coupled with other resources for usefulness or value" (Lusch & Nambisan, 2015, p. 160). Given the unique characteristics of service and its innovation process, especially the integration of knowledge as a resource has become more important.

2.4.2 Knowledge-based view

In addition to the RBV, Grant (1996) specifies resources and organizational capabilities from a knowledge-based view. He defines knowledge broadly and differentiates between "explicit knowledge which can be written down, and tacit knowledge which cannot" (p. 377). To

elaborate, the emphasis of the knowledge-based view is “on tacit knowledge since, in the form of “know-how”, skills and “practical knowledge” of organizational members, tacit knowledge is closely associated with production tasks, and raises the more interesting (...) issues regarding its transfer both within and between organizations” (Grant, 1996, p. 377). Essentially, the author defines production as the creation of value through transforming input into output, which requires knowledge and its integration. To distinguish from the RBV, knowledge is considered a specific type of intellectual resource in this paper.

Organizational capability

To put knowledge into context and structure, Grant (1996) distinguishes between five levels of organizational capability: cross-functional capabilities, broad functional capabilities, activity-related capabilities, specialized capabilities and single-task capabilities. Organizational capability is defined as “a firm’s ability to perform repeatedly a productive task which relates either directly or indirectly to a firm’s capacity for creating value through effecting the transformation of inputs into outputs” (Grant, 1996, p. 377). Single-task capabilities represent task-specific capabilities such as adding a component to an assembly-line-produced product. Specialized capabilities require knowledge integration and represent the assemblage of the final product. Activity-related capabilities represent the capability to e.g. instruct the machine and manage the people assembling the final product. Moving up in the hierarchy, broad functional capabilities are presented into departmental capabilities: operations, HR or marketing and sales to transform the product to value available for potential customers. Finally, cross-functional capabilities represent e.g. the capability of developing new products or supporting the users of the final product (Grant, 1996, p. 378).

Knowledge integration

The level of knowledge integration increases as the capability is organized on a higher level and with it increases its performance complexity. For example, explicit knowledge is exposed to limited challenges because it is codifiable and thus communicable (Grant, 1996). Therefore, the challenge for managers lays in transforming tacit knowledge into explicit rules and instructions. It should however be noted that a characteristic of tacit knowledge is that knowledge can be greater than its communicability, meaning that “people can know more than they can tell” (Grant, 1996, p. 379). Grant proposes that the critical source of competitive advantage is knowledge integration rather than knowledge itself. Because specialized knowledge is divided between individuals (1996, p. 380). Comparable to the RBV, it should

be noted that in this way the value of knowledge as a resource depreciates relatively easy through e.g. imitation.

Knowledge integration capability

Considering knowledge integration as the basis for competitive advantage, the authors identified three characteristics of knowledge appropriation that could lead to competitive advantage: The efficiency of integration (1), the scope of integration (2) and the flexibility of integration (3) (Grant, 1996).

The efficiency characteristic becomes measurable through identifying the level of common knowledge. For example, “if specialized knowledge must be reduced to common knowledge for management to be able to communicate it, there is substantial information loss” (Grant, 1996, 381). Therefore, common language, organizational culture and routines between individual specialists are essential. Besides the level of common knowledge, the frequency and variability of task performances influence knowledge integration efficiency. (Grant, 1996). Lastly, the organizational structures “need to be designed with a view to (...) reducing the extent and intensity of communication needed to achieve knowledge integration” (Grant, 1996, p. 381). In turn, the efficiency characteristic depends on the type of organization.

The scope of integration is affected through determining the role of knowledge in its integration process. For example, “different types of specialized knowledge are complements rather than substitutes in production” (Grant, 1996, p. 381). Practically, this means that the product value should be increased through integration of knowledge, rather than substituting parts of knowledge in the production process. Relevantly, the higher the scope of integration, the lower a product’s imitability.

Finally, flexible integration requires the continual renewal of competitive advantages through innovation and development of new capabilities (Grant, 1996). Reconfiguration of existing knowledge through novel combinations of capabilities is complex, but extremely important for creating and sustaining competitive advantage (Grant, 1996). Examples of these could be strategic innovations in the form of e.g. NSD processes, which essentially are manifestations of knowledge integration mechanisms. It should be said that the flexibility of integration entails both the extension and reconfiguration of existing capabilities as the creation and configuration of new capabilities, thus requiring a dynamic approach from managers. Relevantly, this balance between new and existing capability integration requires a dynamic approach which relies on e.g. the strategy of the company and the competitive environment (Grant, 1996).

Conclusively, considering knowledge as a resource for creating new value and competitive advantage, the organizational capability of integrating knowledge potentially provides companies means for sustaining or creating new competitive advantage. The view of companies as integrators of knowledge provides another perspective to the traditional look at functions of organizational structures and adds depth to the RBV of the firm (Grant, 1991). Grant emphasizes the importance and difficulty of being able to react and respond to the environment for choosing the right knowledge integration strategy and states that “the flexible integration (...) offers little guidance as to the management actions needed to achieve flexibility in knowledge integration” (1991, p. 384).

2.4.3 From resources and knowledge to dynamic capabilities

The increasing relevance of SI and with that the importance of understanding how resources and knowledge should be managed has led to an increasing amount of researchers emphasizing the relevance of linkages between resources, the capability of managing resources and how to enhance inimitability as a key source of competitive advantage for service companies (Grant, 1996; Teece et al., 1997; Sirmon et al., 2007; Teece, 2007; Nenonen et al., 2018). Authors agree that the SDL view on the nature of service (innovation) requires a more dynamic approach on the management of resources and knowledge (Grant, 1996; Den Hertog et al., 2010). To do so, the RBV and KBV are complemented by a view presenting the ability of managing resources through dynamic capabilities in the Dynamic Capabilities View (DCV) (Teece, 2007; Den Hertog et al., 2010).

2.4.4 Dynamic Capability View

Teece et al. (1997) define dynamic capabilities as the firm’s ability to integrate, build and reconfigure internal and external competences to react to fast changing environments. These dynamic capabilities are based on company-specific organisational and managerial processes and are shaped by the company’s current positioning and strategy (Teece et al., 1997). Consequently, the dynamic capability view (DCV), views competitive advantage as the ability to leverage dynamic capabilities. To clarify this, Teece (2007, p. 1322) proposed three different categories of dynamic capabilities; (1) the capacity to sense and shape opportunities and threats, (2) seizing the opportunities and (3) maintaining competitiveness through enhancing, combining, protecting and, when necessary reconfiguring the business’ intangible and tangible assets. Helfat & Peteraf (2003) state that these dynamic capabilities do not directly affect the output of the company, but indirectly contribute to output of the company through impacting

its resources. To clarify, dynamic capabilities reassess the way in which resources should be used within the company in particular situations to achieve the required result.

Dynamic SI Capabilities

According to Den Hertog et al. (2010) the dynamic capability perspective is useful for service companies and SI because the innovation process is less tangible, more dynamic and the resources are embedded in routines and processes throughout organizations. In other words, the continually shifting process of SI allows the projection of the dynamic capability view on this process. This allows viewing the process from another perspective and can be used in the strategic management of the SI process in companies (Den Hertog et al., 2010). This resulted in the introduction and conceptualisation of Dynamic SI Capabilities (DSIC). DSIC are defined as the hard to transfer and imitate service imitation capabilities which develop, shape, integrate and configure existing and new resources (Den Hertog et al. 2010; Wu & Nguyen, 2019). These dynamic services innovation capabilities realise a competitive advantage by offering an up-to-date service offering (Wu & Nguyen, 2019).

To make dynamic SI more explicit, Den Hertog et al. (2010) suggested a framework in which they conceptualise six DSIC capabilities, which have been the basis for further DSIC research by other scholars (see Janssen et al., 2016; Wu & Nguyen 2018, Aas & Breunig, 2017). His conceptualisation consists of: Signalling User Needs & Technological Options, Conceptualising, Co-Producing & Orchestrating, Scaling & Stretching, (Un)-Bundling and Learning & Adapting.

Signalling user needs

Signalling user needs refers to empathically understanding users and sense their potential needs well in advance by interacting with clients (Den Hertog et al., 2010). Tools that can be used are dialogues with users, client profiling, experimenting with users and trend analysis in different customer groups (Den Hertog et al., 2010).

Conceptualising

The difference between product- and SI leads to difficulties to explicitly combine idea components and be able to test it on the customer (Den Hertog et al., 2010). Therefore, the capability to conceptualize refers to the transformation of a rough idea for new service offerings into a viable service offering (Den Hertog et al., 2010). In other words, turning the intangibility of the idea and the offering into something explicit, to be able to visualize and test it.

(Un-)Bundling

The dynamic capability of (un-)bundling relates to the ability of a company to create a synthesis by putting together resources or create extra value by decomposing resources (Den Hertog et al., 2010). This dynamic capability is relevant to SI as SI exists when new or existing resources are used in a new way or in a new configuration (Van der Aa & Elfring, 2002). The (un-)bundling of resources should lead to new service offerings for the customer (Den Hertog et al., 2010).

Co-Producing and orchestrating

This DSIC relates to recognizing the potential of co-developing a SI outside company borders and managing this collaboration (Den Hertog et al., 2010). Many service propositions according to Ramirez, (1999) are combinations of elements of different service providers that fulfil a service need. Thus, it is essential for companies to recognize what value exists within the company and what value enhancements can be generated from outside the company (Den Hertog et al., 2010).

Scaling & Stretching

This DSIC relates to the ability of a company to be able to scale a new service offering by introducing and diffusing it company-wide (Den Hertog et al., 2010). This capability arises from the intangible nature of services, which makes components of a service offering hard to standardize and scale (Lyons et al., 2007). It is thus important to possess this capability to constantly be on the quest on how to realize a consistent company-wide service offering that is in line with customer expectations (Den Hertog et al., 2010).

Learning & Adapting

This DSIC is defined as ‘the capability to deliberately learn from the way SI is managed currently and subsequently adapt the overall SI process’ (Den Hertog et al., 2010, p. 504). This dynamic capability is concerned with the organisational side of the innovation process and the companies’ ability to recognize, change and implement improvements within this process (Den Hertog et al., 2010). Doing this will allow companies to manage SI more effectively and efficiently (Ambrosini et al., 2009).

2.4.5 The role of DSIC in SI

Recent studies have aimed to identify the role of DSIC as described by Den Hertog et al. (2010) in SI (Wu & Nguyen, 2019) and the relation between having DSIC and realising SI (Janssen et

al., 2018). The studies provide deeper and more specific insights in the use of DSIC in SI and their relation with e.g. resources, firm openness, knowledge and organisational performance.

Role of DSIC in SI

In an attempt to identify the role of DSIC in SI, Wu & Nguyen (2019) investigated the effect of Den Hertog et al's (2010) DSIC's on organizational performance. In Wu & Nguyen's study, they presented three antecedents influencing DSIC: relationship-based assets, knowledge resources and the learning orientation of a firm. Subsequently, they derive their definition of relationship-based assets from the SDL of Vargo & Lusch (2004): the customer-orientation and continuously learning and adapting attitude of the company to customers' individual needs" (Wu & Nguyen 2019). Learning orientation is defined as "a mechanism that directly affects an organisation's ability to challenge old assumptions about markets and how a firm should be organised to address it" (Wu & Nguyen 2019, p. 5).

In turn, Wu & Nguyen (2019) investigate the relation between DSIC as a general concept and a firm's performance measures such as SI, competitive advantage and organisational performance. The authors consider service from the SDL perspective of Vargo & Lusch (2004) in line with the standpoints taken in the present paper (see also page 15) considering SI as an "asset that could make differences from our competitors" (Wu & Nguyen, 2019, p. 3).

Finally, Wu & Nguyen (2019) add two conditional variables that affect the effect of DSIC on the previously described performance measures: market orientation and market dynamism. Market orientation is proposed as "a key differentiating resource that is closely related to overall performance" (Wu & Nguyen, 2019). Market dynamism is referred to as the degree of changes in various market elements, such as technology or demand (Wu & Nguyen, 2019).

Effect of dynamic capabilities on SI

Comparable to Wu & Nguyen's study, Janssen, Castaldi & Alexiev (2018) studied the essence for innovative knowledge intensive business service (KIBS) firms to develop dynamic capabilities. They draw their research inspiration on theoretical perspectives adopted in the present study: The Resource-Based-View (see 2.4.1) and the Dynamic Capability View (see 2.4.4). Specifically, the study entails investigating level of openness and innovation and the role of dynamic capabilities on KIBS performance. Similar to Wu & Nguyen, these authors conducted a quantitative study researching the relationship between openness and innovation and the moderating effect between distinct dynamic capabilities and innovativeness. Interestingly, the authors operationalize five of the DSIC: sensing user needs, sensing

technological needs, conceptualising, scaling & stretching and co-producing & orchestrating (Janssen et al., 2018). To compare these to the DSIC's used for the present study, consult section 2.4.4.

Elaborating on the study's variables, Janssen et al. (2018) investigated the role of the beforementioned DSIC's on the innovation value chain. They conceptualize the innovation value chain consisting of knowledge sourcing (1), knowledge application (2) and knowledge transformation (3). Knowledge sourcing entails the interaction with customers, the involvement of suppliers and access to scientific and technical knowledge (Janssen et al., 2019). Knowledge application entails the implementation of the innovation, new service deployment and the service delivery process. Knowledge transformation is conceptualized as the "intermediate stage of converting market signals into actual propositions" (Janssen et al., 2018, p. 440).

Janssen et al. (2018) found that sensing user needs is "the only capability not significantly related to KIBS innovation output" (p. 448), a result differing from prior studies. Alternative results were in line with common findings: customers have a major impact on SI. However, Janssen et al. (2018) propose that for KIBS firms specifically this is not a promising area to target when developing dynamic capabilities. They state that "professional service providers typically engage in 'on-the-job' learning by interacting closely with their clients" (p. 448), resulting in limited value in developing such an intelligence function because an internal sensing function cannot replace the direct customer contact.

In conclusion, the authors show in their studies that four of five capabilities are not significantly related to openness. Only conceptualising becomes more important when KIBS open up for maintaining innovation-oriented partnerships (Janssen et al. 2018). The other capabilities are "relatively less attractive to develop internally, because clients and partners can also provide some activities at the beginning and end of the innovation value chain" (Janssen et al. 2018, p. 449).

2.5 Service Innovation & Dynamic Service Innovation Capabilities

Given the focus of the present research, this section serves as an aggregator between the field of SI and the field of (dynamic) SI capabilities.

Presented in chapter 2.2.2, the SI archetypes of Helkkula et al., (2018) are comparable to concepts that aimed to provide a common approach for managers and researchers on SI. Varying SI's have similar characteristics, due to either their approach (internal vs. external: Jaakkola et al., 2017; Ordanini & Parasuraman, 2011), aim (incremental or radical: Ordanini & Parasuraman, 2011;), or process (collaborative or separative: Biemans et al., 2016; Melton & Hartline, 2013; Froehle & Roth, 2007).

2.5.1 Service Innovation Approach

Common findings present that involving the customer in the process positively influences outcomes of SI in both volume and radicalness (Snyder et al., 2016; Ordanini & Parasuraman, 2011). These findings are confirmed by studies focusing on co-creation, a growing body in the field (Jaakkola et al., 2017; Lusch & Nambisan, 2015). Connecting these to the DSIC's investigated in this study, it could be argued that Signalling User Needs and Co-producing & Orchestrating might influence the approach. The focus in these capabilities on the external environment as source for new value creation signifies their potential influence (Den Hertog et al., 2010).

2.5.2 Service Innovation Aim

The aim of SI often is characterised with a degree of change: radical or incremental (Snyder et al., 2016). As elaborated before (see 2.2.2), a radical innovation often does not share common elements with the previous offering. On the contrary, incremental innovation entails improving or changing small parts of the current offering (Gallouj & Weinstein, 1997). In evaluating the DSIC's, it could be said that (Un-)Bundling and Learning & Adapting can play important roles in defining the aim of the SI in this context. As the former refers to combining or not combining available resources or knowledge to create new value, the latter plays a reflective role on SI's developed previously (Den Hertog et al., 2010).

2.5.3 Service Innovation Process

The process of SI is mostly presented as either collaborative or separative through means of internal or external resource- and knowledge integration. An internal SI process focuses on the role and level of organisational resources, knowledge and capabilities (see 2.4.2) or the configuration of these (Zomerdijk & Voss, 2011). External processes focus on SI development in collaboration with either partners or customers (Froehle & Roth, 2007). Connecting these to the DSIC literature, it can be proposed that the DSIC's Conceptualising and Scaling & Stretching might play important roles in the management of SI in this context (Den Hertog et al., 2010). As conceptualising entails transforming ideas into service offerings, the process of (non-)collaboration might be influenced depending on the use of this capability (Den Hertog et al., 2010). As Scaling & Stretching entails the organisational diffusion for creating expandability from new offerings, whether or not to collaborate and the integration in this process could logically affect the utilization of this DSIC (Den Hertog et al., 2010).

Figure 1 shows a sum-up of the structure of all the theoretical concepts discussed in this chapter.

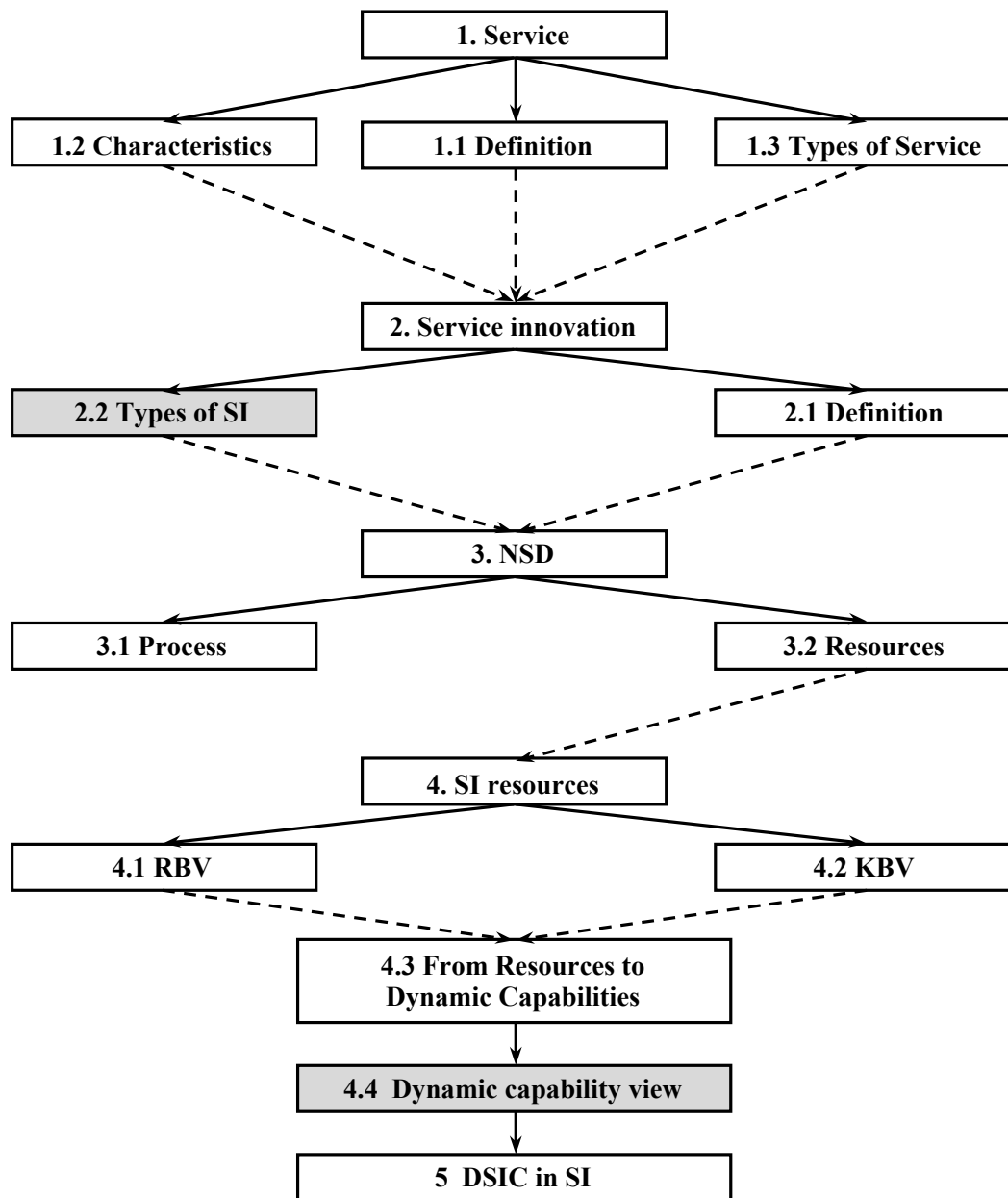


Figure 1: Outline of literature review

Chapter 3: Research Design

3.1 Research approach

As the aim of this study is to generate new grounded theory to fill the identified theoretical gap in service innovation literature, the study will be approached qualitatively (Bryman & Bell, 2011). Furthermore, the qualitative approach is favoured as the study attempts to explain a certain phenomenon in depth. Consequently, following a qualitative approach, an epistemological position of interpretivism is adopted (Bryman & Bell, 2011). This position is imperative to this study as it is concerned with analysing and interpreting behaviours of individuals (Bryman & Bell, 2011). Also, in line with the qualitative nature, an ontological position of constructivism is adopted, meaning that the way social actors construct reality will be subject to analysis in this study (Bryman & Bell, 2011).

3.2 Research strategy and design

As mentioned before, this study follows a qualitative study approach which aims to reveal a nascent phenomenon and build grounded theory (Bryman & Bell, 2011). Following this strategy, an inductive approach will be followed to answer the research questions (Bryman & Bell, 2011). This allows the researchers to collect rich data and through empirical research a grounded theory can be established (Bryman & Bell, 2011). Furthermore, this approach will allow researchers to iterate within data collection by going from data to theory and vice versa. This serves the purpose of strengthening the generalisability of the grounded theory, as the sources of inspiration are continually consulted and revised.

3.2.1 Single case study

Following the abovementioned approaches and strategy a single case study will be conducted. A single case study gives the opportunity to an in-depth understanding of a single case and the development of grounded theory (Bryman & Bell, 2011). The selected case is the aforementioned company (see 1.4). This company is suitable for this research as it has been and still is subject to different types of service innovations. As Stake (1995) distinguishes between different type of cases, this study focuses on the category of multiple cases that are undertaken jointly within the single case, to explore the phenomenon of service innovation. This approach is chosen as the research is focused on how different dynamic capabilities are used with different types of service innovations within a single company. These different types

of service innovation will be represented by projects serving as the multiple cases used within the single case.

3.2.2 Research process

The research process started with analysing the case company and conducting unstructured interviews to get an understanding of the company's current position. After this, different research areas were considered. These different areas were narrowed down to the current research area by considering the collected information. A literature review was then conducted within the research area which led the researcher to the scope of the present study. After this, more literature was reviewed to obtain an understanding of the connection between the theory and the gathered data. Another round of unstructured interviews was conducted next to get informed about where the required data could potentially be collected. The next step was to conduct semi-structured interviews with selected interviewees within the company for the data collection (Bryman & Bell, 2011). After interviews were conducted, they were transcribed in order to be analysed. The analysis of the interviews was conducted in line with the process suggested by Eisenhardt (1989). This way a distinction could be made between the cases before analysing the cases in depth. This was done to, in line with the study, discover the different usage of DSIC within the archetypes. Furthermore, the findings that came out of the analysis were then discussed in relation to the relevant literature.

3.3 Data collection methods

3.3.1 Sampling

Two type of sampling methods were used within this study; purposive sampling & snowball sampling. Purposive sampling was used to interview the right people within the company (Bryman & Bell, 2011). Additionally, snowball sampling was used to get further insights who could be valuable to interview from the interviewee point of view. Before the sampling started, cases were determined within the company in form of projects, in line with the suggestion of Eisenhardt (1989). Three cases were identified, representing three of the aforementioned service innovation archetypes; Process-Based, Experiential and Output-Based. The purposive sampling did not lead to a case identifiable with the Systemic archetype. The cases were determined by conducting unstructured interviews within the company. These simultaneously led to determining the first interviewees for the selected cases. The interviewees were chosen based on their activities within the projects. First, employees with an overarching position (i.e. Project manager) were sampled. After interviewing them, they were asked on who would be

suitable to interview next within the project, preferably someone on a different level than the interviewee. In this way richer data could be collected and a complete image of the case could be captured. This process was repeated until theoretical saturation was reached (Bryman & Bell, 2011).

The sampling led to a total of eight semi-structured interviews that have been conducted within this study. Three interviewees (out of eight project members) were interviewed concerning the process-based project. Similarly, three interviewees (out of six project members) were interviewed for the experiential project. Lastly, two interviewees (out of three project members) were questioned for the output-based project. An overview of the interviewee selection can be consulted in table 1.

Project	Role	Interviewee	Quote Label	Date	Recorded
Process-based	CEO/Project manager	2	1.1	08-04-19	x
	Head of HR	3	1.2	18-04-19	x
	Regional Manager	7	1.3	03-05-19	x
Experiential	Art-director	1	2.1	05-04-19	x
	Head of Customer Service	4	2.2	12-04-19	x
	Former Project manager	8	2.3	06-05-19	x
Output-based	Corporate Sales Planner	5	3.1	02-05-19	x
	Senior Health Developer	6	3.2	02-05-19	x

Table 1: Overview of conducted interviews per identified project

3.3.2 Unstructured interviews

The goal of unstructured interviews is to gather qualitative data by asking open ended questions (Bryman & Bell, 2011). Unstructured interviews were conducted to get a better understanding of the context in which the researched is conducted. Also, these were used to determine further strategy and course of the research. These interviews were conducted with employees with an over-arching position, in this case the CEO, departmental heads and mid-level managers. They have been able to provide insights from a holistic level, but also guide the study by giving an overview of what happened per department related to service innovation and its process. These interviews were conducted without specific guide and can be viewed as introductory conversations. Also, the interviews provided better understanding about company projects and their development objectives.

3.3.3 Semi-structured interviews

The aim of the semi-structured interview is to ask specific questions to the interviewee related to the specific research topic (Bryman & Bell, 2011). By asking these questions, data can be collected that will allow investigation of the research topic and research questions (Bryman & Bell, 2011). Using semi-structured interviews allows the researchers to ask follow-up questions about subjects that have not been in the interview guide but could be interesting to the study (Bryman & Bell, 2011).

3.3.4 Interview guide

An interview guide was constructed to conduct semi-structured interviews (See Appendix II). The guide was structured and formulated from the researcher point of view, meaning the questions functioned as a guideline and were not precisely proposed as the formulation in the guide. Different type of questions were asked: Introductory questions (Bryman & Bell, 2011, p. 477) were posed to get a better overview and understanding of the project and role of interviewees within the project. Structuring questions were used to guide the interviewee to the next research topic (Bryman & Bell, 2011, p. 478). Furthermore, probing questions were used to follow-up on answers provided by interviewees (Bryman & Bell, 2011, p. 477). Direct questions were asked to address the research topic, only after the researchers gathered the information requested through introductory questions (Bryman & Bell, 2011, p. 478). Further elaboration on the interview guide follows in the next section.

Before the interview started, an introduction was given on the research by informing interviewees about the research scope and asking whether recording is allowed. After, interviewees were asked if they had any questions or remarks before commencing.

1: Project related questions

In the first questions the aim was to get informed about the project subject to the research. The aim of the project, why the project was initiated, and the interviewee role were subject to questions. By asking about these aspects of the project, the researcher could determine whether it was in line with the archetype that it was selected for. Also, by determining interviewee roles, the researcher could better understand from which managerial level the interviewee was reasoning.

2, 3 & 4: Project Phases

The next step was to divide the project into three phases; initiation, development and implementation. These phases are comparable with the process suggested by Scheuring &

Johnson (1989). The phrasing questions were used to dive deeper into the project and make the interviewee think about specific actions and tasks operated on a specific moment in the project. By getting a deep understanding, the researchers were enabled to later in the interview direct reflective questions about specific actions to validate the input. Also, by dividing the structure of the project in three phases, the researchers could specifically ask about what was most essential in all phases. In this way data regarding the sequence in the project was collected.

5: Dynamic Service Innovation Capabilities (DSIC)

The questions related to the DSIC's were asked by referring to previously mentioned actions within this project. The DSIC were not mentioned explicitly to prevent biasing the interviewee. Instead, the input of the interviewee relatable to the theory was utilized by repeating their words and making them provide more context to their meanings. In this way, the case-specific use of DSIC's could be identified.

6: Capabilities

The questions regarding capabilities were approached in a similar manner as the DSIC questions. By questioning which capabilities were important a distinction between the capabilities and the management of these through DSIC's could be identified. By asking interviewees questions about capabilities, the researchers also were enabled to gather data potentially interesting for the use of specific capabilities in the project type.

7: Overall

By asking interviewees a closing question, the researchers allowed the interviewee to give final insights on the discussed topics. This could result in a more thorough explanation of what has been discussed or data not previously provided by the interviewee. In both ways it provided an extra chance to enrich the collected data.

3.4 Interview preparation

Preparations were made before the interview in order to ensure the best possible outcomes of the interview. The interviews were conducted face-to-face because conducting face-to-face interviews will allow the collection of richer and deeper data as suggested by Bryman & Bell (2011). Conducting this type of interview allows the collection of (non-)verbal data. To make interviewees feel comfortable and secure, full privacy was ensured by conducting the interviews in closed meeting rooms in the case company.

The interviews were conducted with two interviewers, one active interviewer and one observant. The role of the active interviewer was to lead the interview. At the same time the observant was looking for non-verbal data and asked complementary questions in case interesting input was not utilized by the active interviewee.

3.5 Ethical considerations

Before undertaking interviews, ethical considerations were taken into account. Bryman & Bell (2011) categorize different ethical principles that can be used when conducting qualitative research.

To avoid harm to participants, confidentiality and anonymity was guaranteed prior to the interview. Also, interviewees were informed about measures required for conducting the interviews. As Bryman & Bell (2011) suggested, ensuring anonymity and confidentiality can also lead to more openness towards the topic from the participants.

All participants were informed about the research topic before conducting the interview. Also, interviewees were made aware asked for consent to record prior to the interview. The interviewees were made aware that the recording was solely for research purposes and that after completion of research the recording would be deleted.

3.6 Data analysis

The data has been analysed on the basis of Eisenhardt's (1989) methodology for case study research. Given the present research focus on identifying similarities and differences between different cases in a single company, this approach is in congruence with her description: "a research strategy which focuses on understanding the dynamics present within a single setting" (Eisenhardt, 1989, p. 534) Eisenhardt (1989, p. 535) stated that this type of research can have several aims: "to provide description, test theory or generate theory".

3.6.1 Data analysis process

To analyse collected data a multiple step approach was followed. First, a distinction was made between the sampled cases. Within these cases, Gioia et al. (2012) was used as an inspiration to extract the findings as follows: The findings were extracted by coding data into 1st order concepts, then 2nd order themes were formed based on similarities between the 1st order concepts, which in similar manner resulted in aggregate dimensions. The aggregate dimensions used are in line with the six beforementioned DSIC's as suggested by Den Hertog et al. (2010).

This was done to, as suggested by Eisenhardt (1989), incorporate literature early in the process and also allow iteration between theory and data. Importantly, this also created a common denominator between the cases.

After findings were gathered, they were analysed on two levels. First, the use of individual DSIC's per archetype were analysed. This was done through using empirical data and discussing this in relation to relevant literature. Next, the reason behind the particular use of the DSIC per archetype was discussed in relation to relevant literature, to allow better recognition of the differences between the management of the DSIC's within different archetypes.

3.7 Validity and reliability

The study's qualitative nature results in challenges to reach external reliability, since the social context of the case company is subject to constant change (Bryman & Bell, 2011). An approach to reach the conditions of external reliability is to adopt similar roles within the same social context, utilized in the present study (Bryman & Bell, 2011).

Internal reliability was reached as the researchers have been working closely together for a substantial amount of time. Furthermore, since the research group consisted of only two individuals it was feasible to create common understanding. Also, during the study period, the researchers constantly discussed and revisited the understanding on observations and established results.

By participating in the social context of the case company for a substantial time, the researchers were enabled to stay close to the observations and concepts, further enhancing the internal validity as proposed by Bryman & Bell (2011). As they state, it is suggested to include different perspectives on a certain situation to ensure internal validity, which was reached by conducting multiple interviews on relevant project levels within each case.

As suggested by Bryman & Bell (2011) external validity can be challenging to reach within qualitative studies, as it is focussed on studying a phenomenon within a certain setting that is case specific. By using Eisenhardt (1989) the researchers were able to introduce theory early in the analysis process and increase external validity by generalizing the findings with the theory on two different levels. This was done within each specific project case and the project case as a whole.

4. Findings

This chapter provides an overview of the findings derived from the data collection. The chapter is divided into three sub-chapters representing the investigated cases (i.e. Process-based, Experiential & Output-based). First, an introduction per case will be given to provide context regarding the project. Next, a within-case overview will be presented in terms of the generated 1st order concept forming the basis for the 2nd order themes and aggregate dimensions. The 2nd order themes will be supported by representative quotes that have been derived from the interviews to provide context. Last, a description will be provided for the presented aggregate dimensions and the 2nd order themes. These findings will be the basis for the discussion that will be presented in chapter 5. All the gathered 1st order concept with representative quotes can be consulted in Appendix III

4.1 Process-based archetype

The project researched within this archetype was aimed at changing the working process of front-line employees (FLE). Whereas FLE tasks first were technical, their job is now focused on being hospitable towards customers. This change brought along that the work process of FLE moved from daily to-do list to focusing on personal needs of customers to increase satisfaction.

4.1.1 Signalling user needs

The signalling user needs dimension represents the process of creating new value in the project and discovering customer demand to provide input for the project.

Inter-view	Representative quote	2nd order themes
1.1	"Because we have taken away a lot of different tasks, what are we gonna do that is value creating. What are we gonna do that fits the customer most."	New value creation
1.1	"So luckily the group that was before you, who had the tasks to check with all our customers what they expect from us and what is value creating for them. "	
1.2	"Exactly, increase hospitality and thereby increase member satisfaction. And thereby increasing the uh, uh, uh or, uh lowering the number of member turnover. So they."	
1.1	"softer values like what is the most important for you to be able to get advice about from us. Is it training, is it diet, is it, you know, simple things like do you want group training do you not want to have group training."	Demand Discovery
1.1	"So they actually interviewed a lot of people in a lot of cities around Sweden and they came up with a recommendation of what we should be focusing on with our project."	

Table 2: Quotes representing themes of Signalling user needs in Process-based project

New value creation

Interviewees presented they were challenged with figuring out what could be new value creating activities for FLE resulting from removing operational tasks. Researchers were hired to discover new value creating options. Eventually, increasing hospitality was the means for increasing member satisfaction resulting in a lower member turnover.

Demand discovery

It was found that the company and researchers consulted customers to discover their needs. The company specifically focused on what type of operational service offerings were demanded by customers, researchers focused on more general service offering options for new value creation.

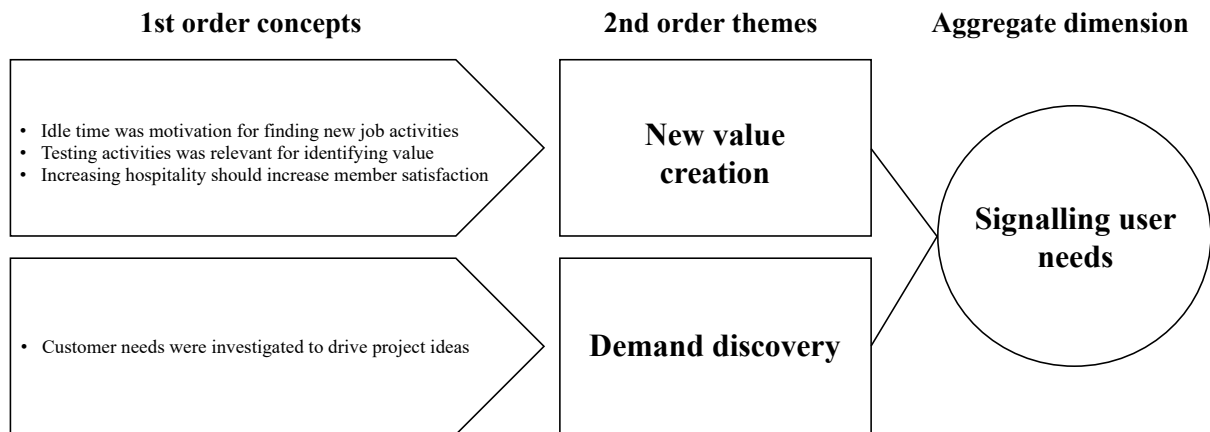


Figure 2: Signalling user need dimension

4.1.2 (Un-)Bundling

The (un-)bundling dimension represents the di-and convergence of departmental capabilities throughout the project process and the collaborative processes within.

Inter-view	Representative quote	2nd order themes
1.1	"So they're the experts of getting the message across and how they make people change behaviours."	Departmental capability
1.1	"And they are also the experts on operating the clubs at least they are our best people. That's why they are our key people. And HR came in more as they are experts in education. "	
1.2	"We looked into how we could use talented employees who is working in sites where we see they are (indistinctive). What do they do. And now we are going to train, the facilitators. And then train other (chatter in the back) uhh. And then these guys are gonna train their colleagues."	
1.2	"No but I mean for us it was I mean customer service owns the end guest and also complaints and stuff and so. So they have a lot of valuable information that okay so we see what is it typically that they are complaining about?"	
1.1	"So we divided everything basically into different people with tasks lets say different things and they come back with a plan saying this is what we need to do, people want it like this."	Team Collaboration
1.2	"Yes I mean customer service and then ofcourse the operations. We have been working closely with them. And marketing to some point as well. But most for with the project it was customer service and HR and operations."	
1.3	"The idea came up and then we were talking about it in our regional manager or country manager group and we had different meeting what should we do and what can we do?"	

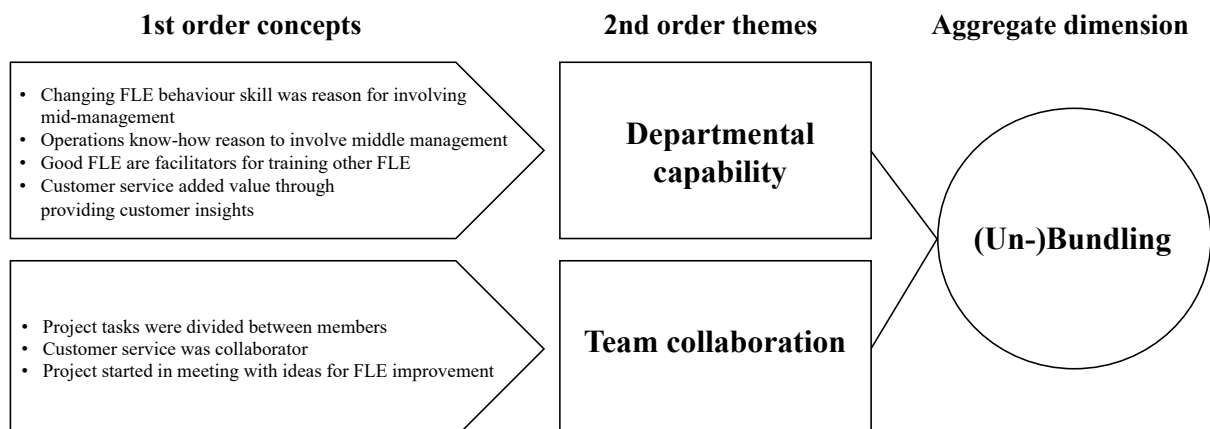
Table 3: Quotes representing themes of (Un-)Bundling in Process-based project

Departmental capability

Findings show that operational and managerial experts were selected for their specific knowledge and capabilities for differing project contributions. Within the project, training was required for efficient implementation, which was done through selecting employees capable of doing so.

Team collaboration

Findings showed that tasks were divided between project team members based on their expertise. After working out individual tasks the group diverged for selecting the most suitable options to proceed in the project. Cross-functional capabilities were combined.



4.1.3 Co-producing & orchestrating

This dimension present topics that have driven the emergence of the project through either internal and external drivers for change or problems requiring solutions.

Inter-view	Representative quote	2nd order themes
1.1	"So we made the longlist shorter. And uhm, then we decided to go for some main points that uh, that we at that time decided need to have external help with. So for one thing is saying that we are going to work with hospitality, it doesn't give you any tools to, do practical work"	Partnering Process
1.1	"We changed them to a company that are that we felt are more open minded. Just to make sure that we are not doing the same recruitment again, because we want new people. "	
1.3	"So we had to start the process from the beginning like okay you can not clean anymore and we took another cleaning company. So that took a lot of time to find the right cleaning companies."	
1.3	"We had another company that we also been working already for 10 years and they got around 85 – 90% of all the sites and that's not good either. Because they have the monopoly or what would you say."	
1.1	"Because we would outsource now things that we would do ourselves before. Cleaning was the big thing but therer were also other things. But then we decided actually to, to test if we were right about which activities we should be doing. "	Outsourcing Strategy
1.3	"They did not have time to interact with the members. So when we took the cleaning part away to the cleaning company instead. They had much more time."	

Table 4: Quotes representing themes of Co-producing & Orchestrating in Process-based project

Partnering process

Interviewees presented that there was a longlist used for the project task division and selection. In that process, it became evident that some tasks required external help. Another part of the process was the selection, conducted based on e.g. common vision. Also, the effect on partners bargaining power was considered in the partner selection process.

Outsourcing strategy

Findings show that because of new job design certain operational tasks had to be outsourced. Cleaning was one of the tasks that was outsourced, resulting in more time for FLE to focus on other activities.

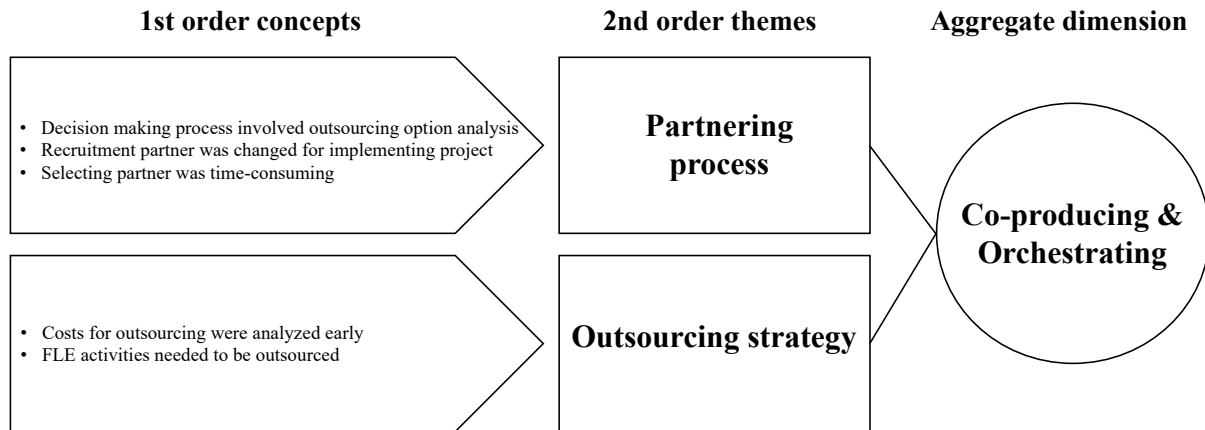


Figure 4. Co-producing & Orchestrating dimension

4.1.4 Conceptualising

The conceptualising dimension presents the process of adjusting the job design part of the project and the effect the new design had on the service delivery process.

Inter-view	Representative quote	2nd order themes
1.1	"So then we took away all those tasks that didn't match the perception of what it is to work at a fitness club. We created a lot of space, we created a lot of time. (mumbling)."	Job Design
1.3	"When we started the project, uhm, first of all, uhm, the situation, the work environment and situation of our SR's on the sites it was not that good. They were not pleased, not engaged and they had a lot of tasks to do on a daily basis. So the idea came up from that perspective uh from the beginning what can we do for our SR's to make their work life better"	
1.2	"But were looking for a way to interact, and like create a community feeling, within the local gym, so to speak"	
1.1	"Because that wasn't in the requirements before. Before well you need to be nice and that you need to be able to sell things. And that we changed into we have to be really good with hospitality."	Service Delivery
1.3	"So we took that away from SR's when we took the cleaning and suddenly they had a lot of time. And then we thought like what should we do with all this time. We need to give them something that's uh, uhm, that's good for them and it should be good for the uh, members as well. What should they do when they have uh. And this is what we are working today as of SR 2.0."	

Table 5: Quotes representing themes of Conceptualising in Process-based project

Job Design

Findings show that the perceived job activities from employees starting as FLEs did not match the perception they got from the recruitment. Many tasks were mitigated to enhance the job design for the employees and at the same time enhance the customer experience.

Service Delivery

Interviewees presented that the focus of FLE shifted from sales to providing a hospitality-oriented service. The reconfiguration of the FLE jobs created a lot of idle time for FLE which led to the management to think of more service delivery activities to enhance the customer experience.

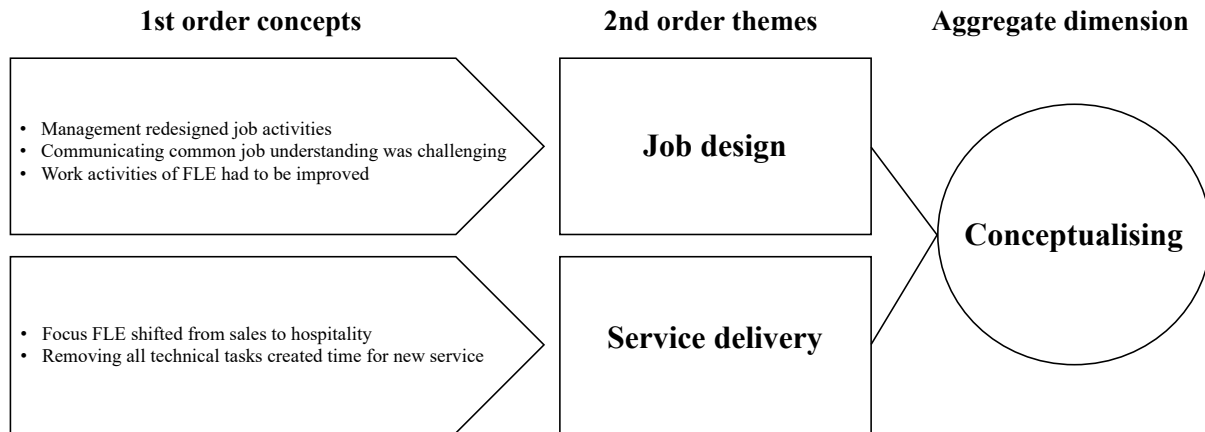


Figure 5: Conceptualising dimension

4.1.5 Learning & Adapting

The Learning & Adapting dimension represents the process of project reflection, how competencies were developed to enhance the projects implementation and the challenge of performance measuring.

Inter-view	Representative quote	2nd order themes
1.1	"I think the main learning is that uh its difficult to uh to make seven people you know work in the same direction. It is very very difficult. And I also learned that nuances are lost on the way."	Project Reflection
1.1	"Yeah, it is not a very complicated project it's a very pragmatic project."	
1.2	"Yes. And the difference with the transformation, in a project you have a starting point and a review phase. And that's how we first when we started it it was supposed to be a project. And now it has transformed to a transformation process. It is really about a cultural change."	
1.3	"But im not pleased, yet. Because we need to do this more and more and more. Further on."	Competency Development
1.1	"And we are sort of still in the education phase even though we started to work with uh ways from hospitality we started to work in different ways systematically to bring more customer value. "	
1.1	"And they started to look into different education programmes. And we went through a couple and now uh we actually have our own it ended up being our own programme in the end. We did a few external ones, but we took the in-house."	Measuring Performance
1.2	"If you just say that you want to be world champions in hospitality, okay. But how are we gonna measure that?"	
1.2	"So yes now we are actually trying to do the right KPI's, because we have done a lot of other things at the same time"	

Table 6: Quotes representing themes of Learning & Adapting in Process-based project

Project reflection

Findings show that the project was pragmatic which led to an iterative process in the project. Besides, managing seven managers to work in the same direction while working on separate tasks was challenging. Also, it was presented that this project is continuous.

Competency development

Interviewees presented that FLE required training for adopting the new service strategy as a result from the new job design. It was concluded that using project ‘champions’ that adopted the strategy well were the best candidates for providing these trainings to other FLE.

Measuring performance

Findings show that project managers found measuring the performance of employees working according to the new strategy was challenging. Also, new performance indicators have been developed to measure the impact of the project and manage further project development.

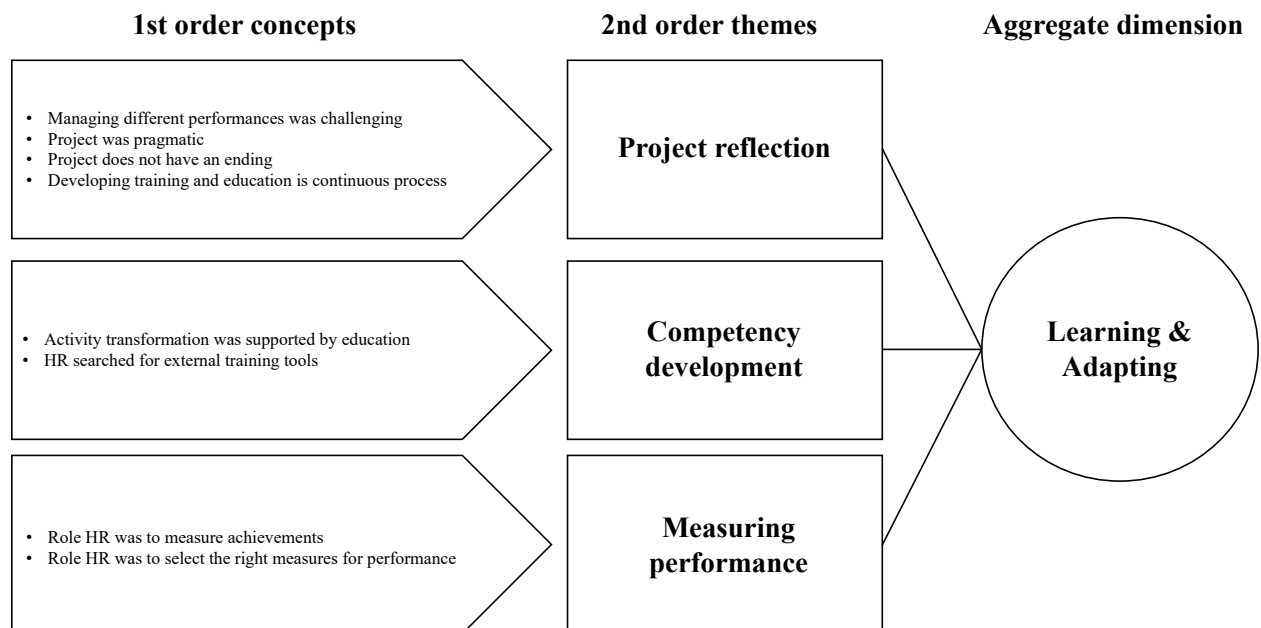


Figure 6: Learning & Adapting dimension

4.1.6 Scaling & Stretching

The Scaling & Stretching dimension relates to the operational process changes required to implement the project horizontally and vertically through the organisation.

Inter-view	Representative quote	2nd order themes
1.1	"We changed that whole process, to make sure you have some simple tools from day one when you start working. We changed the whole recruitment process."	Operational Process Change
1.1	"So help for example. A lot of people perceive helping as actually going up to something that is working out, giving them a hand. Help was never intended to be that practical."	
1.1	"Everybody knows what hospitality is, everybody knows what it means to be nice and everybody knows the importance of saying hello. But there are lots of practical things to do before you really have this competence."	
1.1	"Yeah and I think what we did is we did uh you know a few, few meanings, means a lot of time between the meanings. And something like this new to stick you have to repeat and repeat and repeat and repeat. You always need more meanings and shorter. You have to make sure that it is bounded into people and that they really figure it out."	

Table 7: Quotes representing theme of Scaling & Stretching in Process-based project

Operational process change

Findings show that the operational process change was supported by tools to enhance the onboarding process of new employees. Besides, communicating the new strategy was challenging because of the varying perceptions of FLEs of specific concepts used in the new service delivery process.

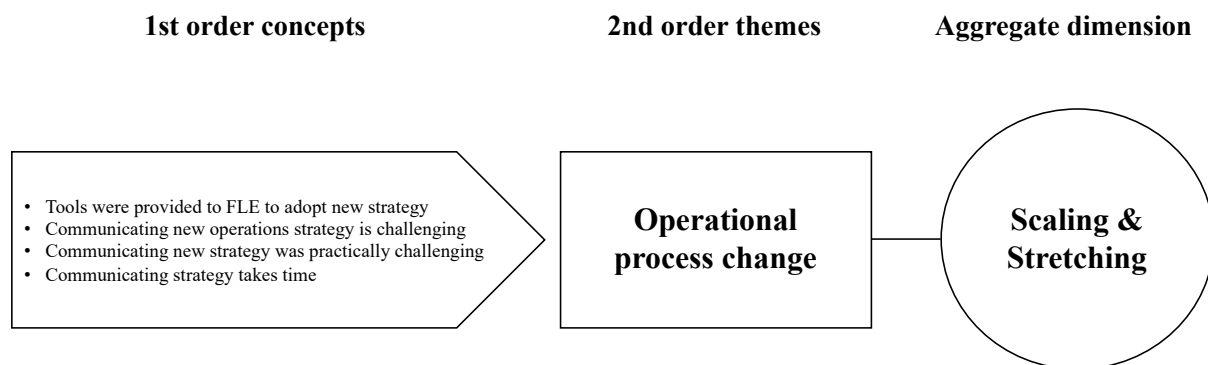


Figure 7: Scaling & Stretching dimension

4.2 Experiential archetype

The project that has been researched within this archetype has been concerned with changing the brand image of the company by changing its design. The project had as aim to give the company the image that they are available and accessible for people of all ages and cultures. This was also done considering the globalization plans of the company, and their vision to offer the same experience in the gyms all over the world.

4.2.1 Co-producing & Orchestrating

Co-producing & Orchestrating relates to the development processes undertaken with external parties and the way the company or project manager has managed the different capabilities required throughout the process.

Inter-view	Representative quote	2nd order themes
2.3	"Yeah, so we uh first of all we had an agency, a design agency that was joining us and we had uh, we had uhh, uh, how do I say, you know the suppliers, so the gym equipment. So they also took care of making sure of uh because they can, of course they don't only have Company F but also small gyms, Company F gyms, and other gym chains.	Partner collaboration
2.3	"So uh after that the agency went back to work and they put us up with sort of an overall uh meeting where they had brought a uh workshop where they brought material with them. This is uh you know we are working with one phase which were colours, these were kind of like the colours that we are working with on the material."	
2.1	"Yeah exactly no, the aim was actually uh going to London uh let them know because that was a new world for Company A as well they hadn't worked with a gym chain before not with the gym industry."	
2.1	"And uhm but we felt that we came to a point where we did not really understand each other. We wanted more and they could not give us more, so to speak. So we break with them and we looked into two other companies, based in Stockholm."	Partner matching
2.2	"So, we had a meeting with ... they are called Company B. And their suggestion was to first have a solid very thorough ehh workshop where we go through the demands and make a you know how you say (Swedish word) ... an analysis of what the organisations has before we take the next step. So that is their suggestion basically, that we would pay them for that, and we would spend a couple of weeks doing a very thorough workshop. In order to summarize all the needs and what the plan should be, if that makes sense. So, it is two different alternatives, so yeah."	
2.1	It was Company A and the other one was named Company C. And uh we actually chose to go with Company A, we got a gut feeling there (phone vibrating). But that ended with uh, because we wanted them to write uhm an agreement that they were not allowed to work with the competitors, for three years."	
2.1	"I think those trips with partners actually are very very good because it is one thing to have the picture. But you cant have the experience without being in the location. Like okay what am I feeling when I am in a room.	

Table 8: Quotes representing themes of Co-producing & Orchestrating in Experiential project

Partner collaboration

Findings show that an external party was hired for operating project tasks requiring competencies that complemented the internal capabilities. The external party acted as a

facilitator for both the development process of the project and for the project members to learn new skills to be used during the project.

Partner criteria

Interviewees mentioned that selecting the partner was done based on common understanding.

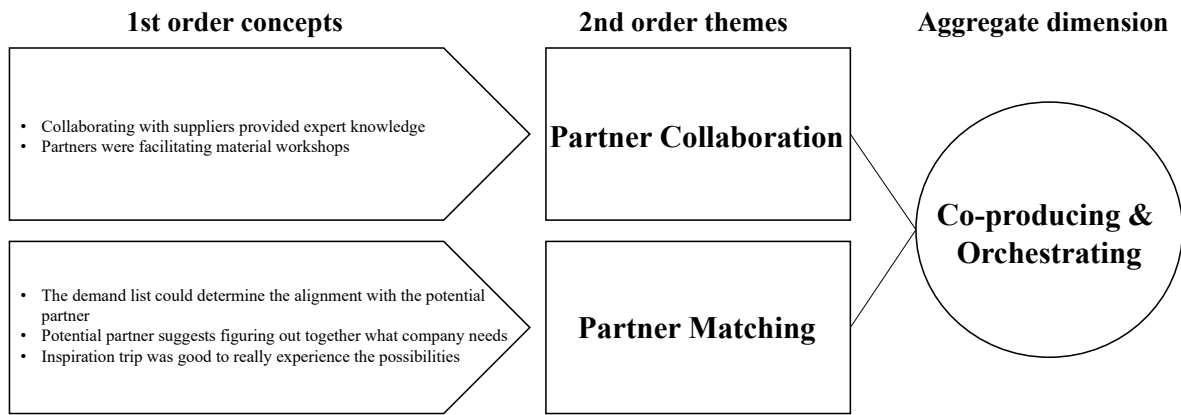


Figure 8: Co-producing & Orchestrating in Experiential project

4.2.2 Signalling user needs

This dimension represents the importance of discovering customer needs as input for the project’s development. Also, the relevance of managing future and current customer experiences resulting from the project’s implementation was presented.

Inter-view	Representative quote	2nd order themes
2.2	"For sure, I would say, so the customers voice is heard. But we haven't gone to the site and asked them. We think and we have a good picture of what the needs are ... yeah."	Customer need discovery
2.2	"So, it is important to us to understand how the onboarding process works for the members... what can we do in order to improve to make people feel welcome, to get people to start in a good way."	
2.3	"I uh, im not sure how that uh were defined after that or what direction was that. But we did uh some focus groups so we checked it actually and it tested very positively."	
2.2	"And I think this topic like what I am calling customer experience part. I consider that being the most important challenge for our company. because everyone can offer gym equipment for 24/7, ladies' gym etc that is not very unique anymore."	Managing customer experience
2.1	"Yes, when we decided that we need uh to change our image, uh, it was actually when we started to look at the new markets."	
2.2	"So we had (indistinctive) language also as an important area. That needs to be added because we say that if we are going to be a global brand, how can we communicate our members without saying you know in all languages welcome in Swedish, polish, in Norwegian, in Spanish, in thai. The language was important really really also a challenge when, and that's where we got the pictogram idea of that."	

Table 9: Quotes representing themes of Signalling user needs in Experiential project

Customer need discovery

Managers in the project showed to be knowledgeable regarding customer needs. However, they presented that understanding the customers’ experience within the acquisition process was

needed as well. Also, to test idea viability, customer research was conducted to ensure customer demands.

Managing customer experience

It was evident that imagining the experience of different target groups across markets that would result from implementing required focus in the project. To create a standardized customer experience globally, communication and means of communication were reconsidered in the project.

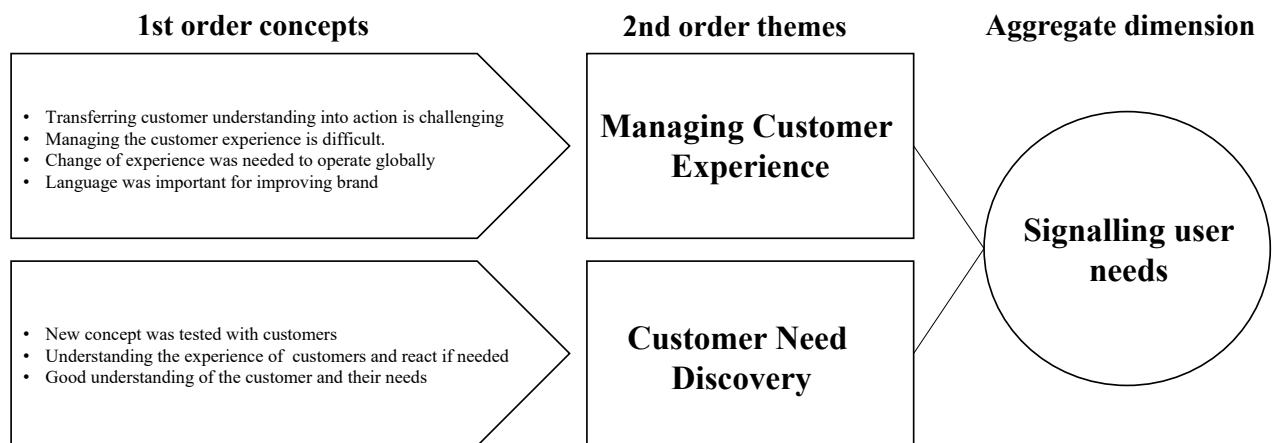


Figure 9: Signalling user needs in Experiential project

4.2.3 (Un-)Bundling

The bundling dimension represents the combinations made of departmental capabilities and the collaborative process followed throughout the project.

Inter-view	Representative quote	2nd order themes
2.2	"and we haven't ehmmm asked members, like what do you want in that matter. But I think we know that quite well what we can see what type of errands they come with, how often. "	Organizational knowledge
2.1	"Oeh, I am not sure actually of course we listen to the members and I think we listened a lot to the SR's, that works at the gyms. "	
2.3	"I think it was... the biggest challenge was .. one challenge was the material that we chose because from a design perspective you had one look and from a cost perspective you had another one.. there was a challenge there to make sure that you understood that .."	
2.2	"We did that eh hh our whole department here in Lund and also the eh hh our eh hh colleagues in other countries participated in a workshop where we worked out the demand list of what we would want to have from a new system... what what kind of solutions we see that it should bring, what value it will bring to us, the company and to the members"	Project collaboration
2.1	"Yeah its also important with teamwork sometimes in this project. Some people pay way too much attention to details that shouldn't bring so much attention. Uh that was quite hard"	
2.3	"I think communication to make sure all stakeholders. Because I was everywhere and had to make sure that right information and the right understanding as well in the project team but also the agency and the different suppliers we had contact with was reached."	

Table 10: Quotes representing themes of (Un-)Bundling in Experiential project

Organizational knowledge

The interviewees mentioned the importance of specialized knowledge of project members and that it is essential to recognize which knowledge has to be utilized to get the desired result.

Project collaboration

The interviewees mentioned collaborative processes with other departments in the company. Communication was found to be important to create a common understanding and vision for developing the project further.

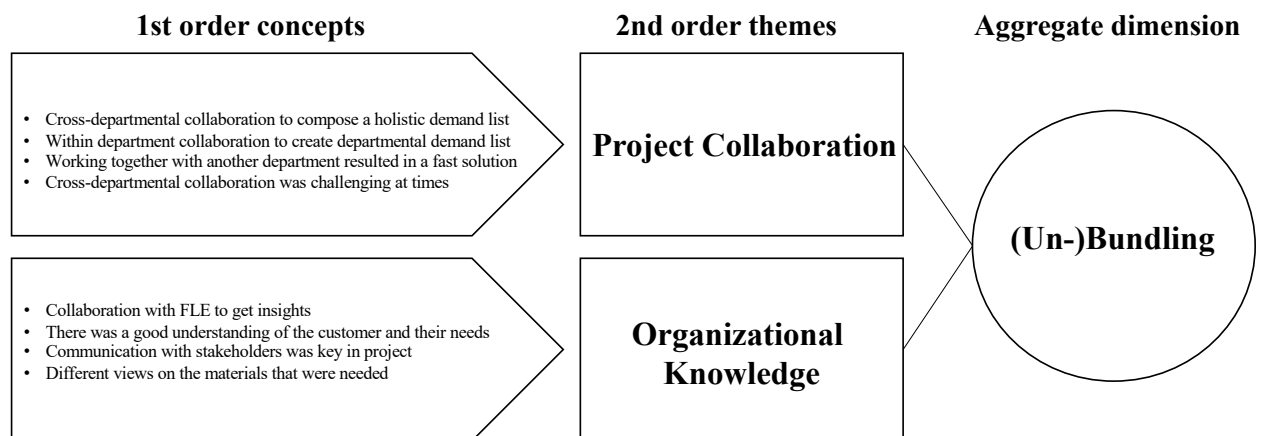


Figure 10: (Un-)Bundling in Experiential project

4.2.4 Conceptualising

The conceptualising dimension relates to the process of designing a new brand image and the input used for the new brand design.

Inter-view	Representative quote	2nd order themes
2.1	"Like I said we are an ice cream vanilla. Everybody likes vanilla. We cannot be Ben & Jerrys because then you know we segmentate the groups so much that, and uh"	Brand design
2.3	"And uh, so we went through all the different dimensions of the gyms, so we were talking about font, we were talking about navigation, we were talking about language etc. But we had all these different buildings so how do we put it together."	
2.3	"So then we went back to the drawing board again. At this stage we had sort of the brand identity there, we had the colors we had the patterns we had the design, but then we said how do we add concept x to this."	
2.2	"But yeah London was like we begin to because it was very easy to get into the environment and you can go in to look and see okay how they solved it here. This is a very special location but they managed to do this and that."	Gathering Inspiration
2.3	"The ideation phase was very important well especially for the owner because he wanted us really to try and think creatively and of course it is a challenge when you are classified like,"	
2.3	"So we went to (indistinctive) we went to London, to get an idea of what do the cool gyms look like. So uh that was very important that we did that trip. Because there were some very good ideas that we could see or copycat, like the navigation, or maybe the lights. "	

Table 11: Quotes representing themes of Conceptualising in Experiential project

Brand design

Findings show that the strategy behind the new brand design was to be a brand for everyone. Different dimensions of the new design were taken into consideration in the context of different establishment which required a standardized approach. The process showed to be iterative which resulted in the creation of a new concept as part of the new brand image.

Gathering inspiration

Interviewees presented that a field trip was organized to gather ideas and input for the new brand design. Focus in this process was on translating the input to creative new outputs, driven by the owner.

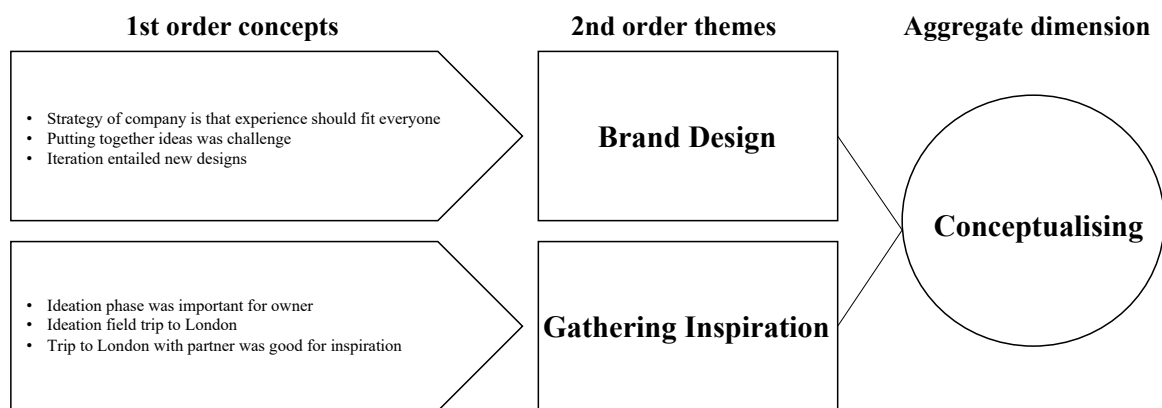


Figure 11: Conceptualising in Experiential project

4.2.5 Scaling & Stretching

The Scaling & Stretching dimension represents the expandability of the project and its applicability across multiple existing concepts, cultures and markets, complemented by the project's implementation challenges with regard to upscaling.

Inter-view	Representative quote	2nd order themes
2.3	“One very small, one medium and one large. And see how expandable these ideas are.”	Anticipating change
2.3	“How does it look in a plus site and how does it look in a small gym. So we needed the all the ideas that we had, we needed them to sort of make them big but also to be able to make them small.”	
2.3	“Because what we anticipated, is that in the future instead of an concept x it could be something else. I don’t know, maybe yeah something is going to be extremely popular in five years time, then we need to make sure that we can add these things to the offer that we have. So yeah it was not going to be a huge mountain, that we needed to change the whole brand identity because we wanted to add something to the concept.”	
2.1	"The biggest job now is to have this company working as a global brand."	Globalization
2.3	“Well the main objective was actually to build, to stage the Company F brand to a global brand. So that was the long-term vision and the idea that we had to make it a global brand.”	
2.2	"That is important in the implementation phase. And otherwise it I personally haven't ... I don't have the big experience of rolling out big IT solutions, but we have done some projects And I think it's important to do trial and test before you do the big launch. Maybe you can do it in one small part of the company before you go live like everywhere. So that is also important in the Implementation phase."	Implementation
2.2	"If we would do it for example only for Lund centrum, this specific sight, eh, you might see some errors and you have the possibility to correct them before they get to big. To to a roll out like that is eh from my experience a good thing to do, something we have done before when we have implemented digital contracts."	
2.3	“Because the further we want to grow, uh, ten times the staff. And if you want to grow with that team, the owners vision was to keep the brand intact.”	

Table 12: Quotes representing themes of Scaling & Stretching in Experiential project

Anticipating change

Findings show that interviewees were aware of the importance of the project’s applicability across multiple locations as well as anticipated future demand based on industry trends.

Globalization

Interviewees presented the relevance of the project’s ability to be operated and implemented globally, given the varying demands and challenges that come with operating a global brand.

Implementation

Interviews pointed out that the project’s implementation process needed to be scalable and that due to that specialized departments were required to conceptualize a scalable implementation process.

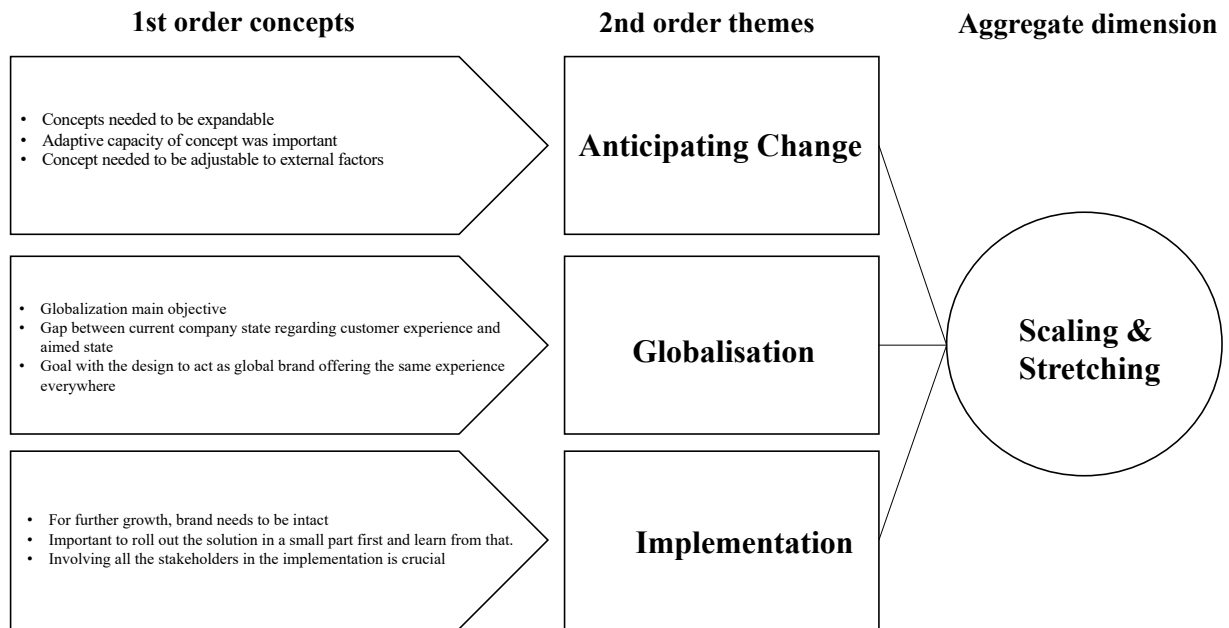


Figure 12: Scaling & Stretching in Experiential project

4.2.6 Learning & Adapting

The learning & adaption dimension relates to the testing out of new concepts and ideas, leading to the revision of the concept and the process of the project in an iterative process.

Inter-view	Representative quote	2nd order themes
2.1	"We realized that it was too much work especially if you wanna renovate all gyms. Than we had such a huge cost when it came to the floor. The with the puzzle floor we can just lay it straight over the wooden floor. Like that it wouldn't be any problem. So that's something we changed."	Outcome Revision
2.1	"Big change though from owner or a big concern from owner were the lockers. We came from pad locks to the automatic locks with your membership cards. And he was like yeah always a big fan of pad locks because if you mess up you just bolt up the lock. So now okay here you have the technical part and if that doesn't work the members cannot get into their lockers so that's something. But I think that we had a lot of good feedback that members are very happy that they don't need pad locks anymore. And things like that so yeah actually that was good."	
2.3	"And uh, of course we had some setbacks there because some solutions were not practically really implementable and so like that we were going back and forth."	
2.2	"One very small, one medium and one large. And see how expandable these ideas are."	Testing
2.1	"How does it look in a plus site and how does it look in a small gym. So we needed the all the ideas that we had, we needed them to sort of make them big but also to be able to make them small."	
2.1	"Because what we anticipated, is that in the future instead of an concept x it could be something else. I don't know, maybe yeah something is going to be extremely popular in five years time, then we need to make sure that we can add these things to the offer that we have. So yeah it was not going to be a huge mountain, that we needed to change the whole brand identity because we wanted to add something to the concept."	

Table 13: Quotes representing themes of Learning & Adapting in Experiential project

Outcome revision

Findings show the concept was revised many times after being implemented, driven by preferences and ideas of the owner, customer feedback and evaluation of practical implementation processes.

Testing

Interviewees presented that concepts were tested with customers and through evaluations regarding a fit with existing concepts.

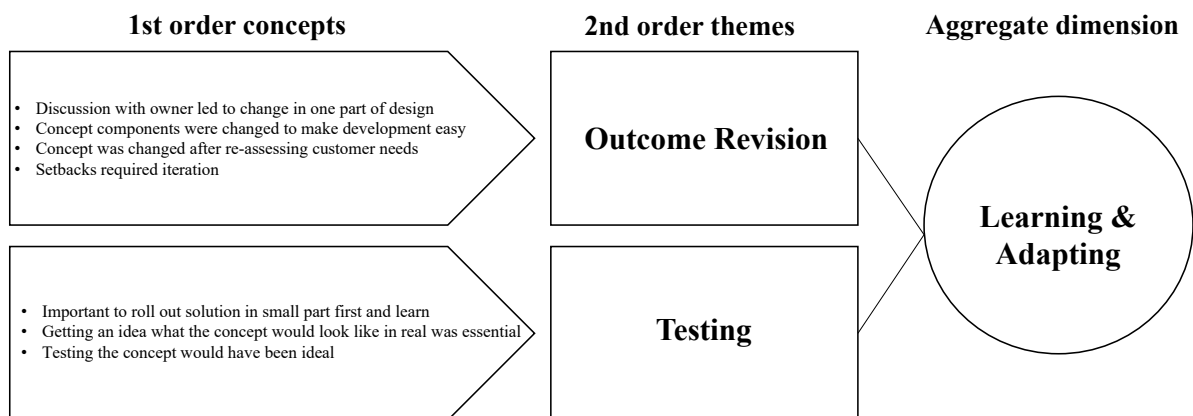


Figure 13: Learning & Adapting in Experiential project

4.3 Output-based archetype

The project within this archetype was focused on creating a new offering to the business clients of the company. Before, the company was only offering discounts to businesses that bought multiple memberships to their employees. Now, the company offers a package with different training plans, lectures and guidance that are tailor made to the company's needs. This research did not collect data showing clear implications for the DSIC's Bundling & Unbundling and Signalling User Needs for this archetype.

4.3.1 Co-producing & Orchestrating

The co-producing & orchestrating dimension represents both the process of matching the partnership within the project and the collaboration with the partner within the project.

Inter-view	Representative quote	2nd order theme
3.2	"So this could be, possible solution, possible partner as well. And now we are looking into different suppliers for that. And of course that was with us in the background as well. But uh partner x has the perspective of the technique, uh, the solution, the technical solution. Technical aspects. "	Partner matching
3.1	"So that's how we started talking and having meetings, just twisting and turning and uh. It happened right (laughs). "	
3.1	"Uhm. (silence) To see the benefit and the possibilities for uh both uh companies to grow. "	
3.2	"No with company x... without actually making it a package, we just had helped with something before my time... and then they were interested in doing something and we were like we have this service, where we want to package and we made a pilot with them"	Partner collaboration
3.1	"We have been able to start to deliver the product... For our clients I mean as of ... I mean ... just last two weeks we have started with two quite big companies... its 2-300 members (...) And we have been able to set them up quite easily and quite fast. That's been positive, that we have been able to launch that quick"	
3.1	"Together and have a win win solution and to keep the initiation from both parties. And identifying common possibilities and choice. Like what to do I mean there are a lot of stuff we could do but to actually identify our common goal. And our common possibilities like. "	

Table 14: Quotes representing themes of Co-producing & Orchestrating in output-based project

Partner matching

The interviewees mention the matching process with the partner by going back and forth discussing the possibilities and the requirements. Also, the interviewees state that an important part of the matching process was to find mutual benefits in the partnership.

Partner collaboration

The findings show the close collaboration of the company with the partner within this project. The collaboration with the partner resulted in the ability to quickly and effectively roll out the offering. Also, the interviewees stated the collaboration with one of the business customers to roll out the offering.

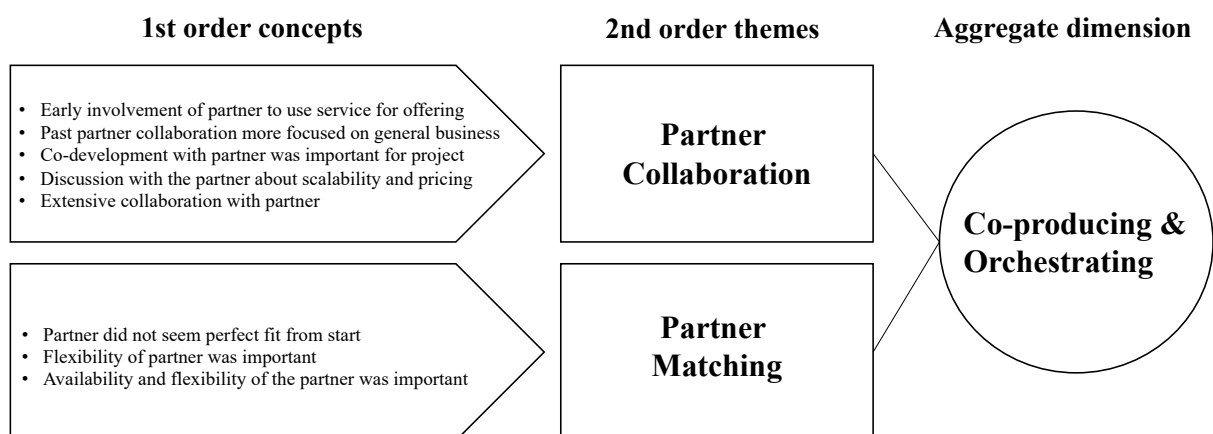


Figure 14: Co-Producing & Orchestrating in Output-Based project

4.3.2 Conceptualising

The conceptualising dimension represent the driver of the project and the concept creation. The project driver relates to early thoughts the company had on how to change the offering to the business customers. The concept creation represents the actual creation of the concept that is been rolled out as result of the project.

Inter-view	Representative quote	2nd order theme
3.2	"But it can't be like... I can't be like I should travel to place x every week. So, we have to be able to build a system. So, we started like that and then we came to a point like now it's ready,"	Project driver
3.2	"Since we didn't have a concept for working with businesses. So, it was more like we offer cheap or deal on memberships. And then every now and then they come ... and we did some group training and stuff like that. And when we had like the group training sessions and stuff usually that was PT's doing them"	
3.2	"Then we started to do small things, we started to take in some of them. We did some ... there was company ... they wanted to do one of these big running races"	
3.1	"Now it is, because now we have a team working with this, and that, so that was specific my task"	Creating concept
3.2	"I think it's both, because the clients will give me the feedback more than company y, even though we should tell them that they can go straight to company y with that as well ... but usually they go through us"	
3.2	"Because I have done that before... on my own with my own company... I have consulted that. And how we could do that..."	

Table 15: Quotes representing themes of Conceptualising in output-based project

Project driver

The interviewees state that there had been many early thoughts on changing the offering towards the business customers as a result of many request that had been obtained. Also, the findings show that the company had done some minor activities with some of the business customers that had then be reflected upon. This reflection than led to the next step which was to create an explicit concept.

Creating concept

The findings here show that the concept was getting form after a specific team was formed to start with the creation. The findings also show that the offering is completed and that it is been sold to the business customers, and that the customers are part of revising the concept by the feedback that they provide.

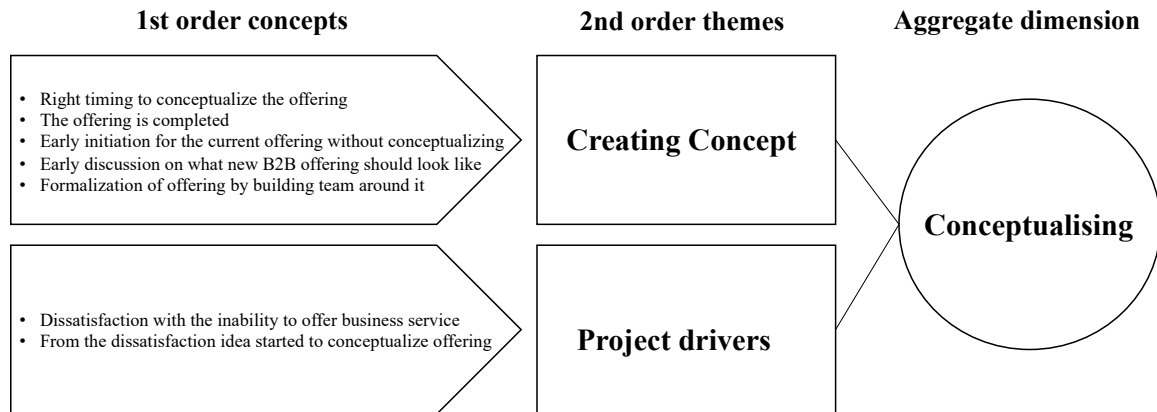


Figure 15: Conceptualising in Output-Based project

4.3.3 Scaling & Stretching

The scaling & stretching dimension represent the characteristics of the project, its process and composition. The findings show the emergence of the project and illustrate that project participants focused on possibilities to scale, the division of operations of the project.

Inter-view	Representative quote	2nd order theme
3.2	"We are practically... basically losing hundreds of thousands every week because we have all these businesses in our network, or they actually have...(.) we could do some much more... we haven't been able to deliver it in a way. So we are actually losing profit... weekly on this... there is still a lot to do. We are just still only in the beginning. "	Scaling opportunity
3.2	"(...) We began with it beginning of this year. So since that it has been an official product like available on the web and everywhere. And now we have a big event, a corporate event, in place Y, 16 of May, where we are going to present it as a package as well. "	
3.2	"And of course they have an interest with growing with us. And potential to grow. I mean the right prerequisite to grow with us as well."	Mutual growth
3.1	So the challenge actually was aimed at attracting more people to train at Company F. And not the other way around.	

Table 16: Quotes representing themes of Scaling & Stretching in output-based project

Scaling opportunity

The interviewees recognized the scalability of the project and saw underutilized potential. Peers stated that the product had been launched recently and that the next step was to promote the new product.

Mutual growth

The interviewees state the importance of the growth of the offering. Also, the interviewees show that this growth should be achieved together with the partner that is part of the offering.

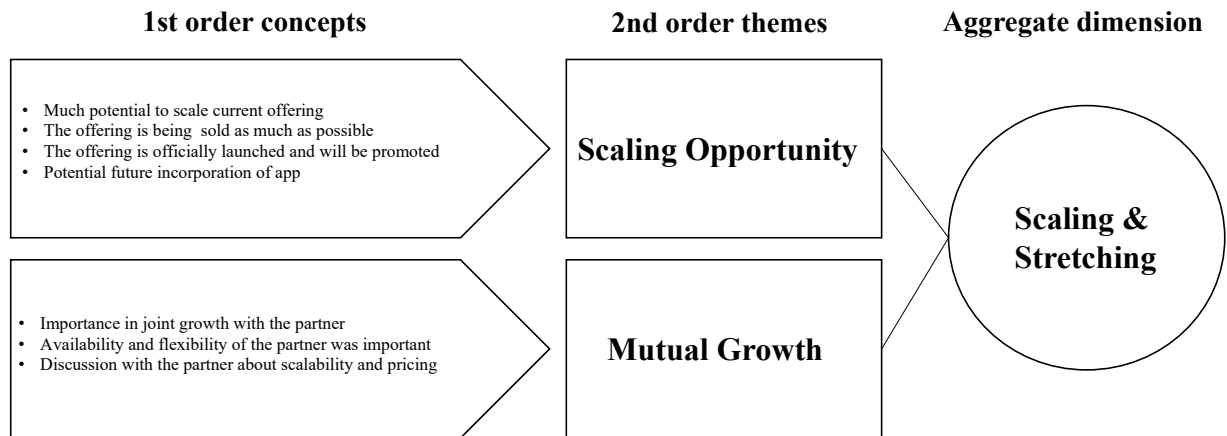


Figure 16: Scaling & Stretching in Output-Based project

4.3.4 Learning & Adapting

The Learning & Adapting dimension show how the offering has been tested in the early stages and how the current rolled-out offering is constantly revised and will be going through a constant development.

Inter-view	Representative quote	2nd order theme
3.1	"Of course there are interests for company x or y separately but really we needed to find what do we want to do and what is the benefit of this collaboration (...)"	Revision
3.1	"And we are doing that within Company X as well. But is part of their offering as well. So we are looking into how we could activate other parts of their full solution. "	
3.1	"(...) Its going to be a development uh, going on for some years I would say to just find the exact right setup and. Matching it with them. "	
3.1	"So doing a challenge, trying, and trying the functionality of the product."	Testing
3.1	And actually the validation was important in step one and testing it out in the marketing and sales department."	
3.1	"Yes internal validation. But we also had the external validation. With a company called 'Z' which is our partner and we did the challenge. And basically that was the first one with the customer. And they were validating it from the real corporate point of view."	

Table 17: Quotes representing themes of Learning & Adapting in output-based project

Revision

The interviewees state that the offering that is been developed should be revised and should go through a constant development. This can be done by considering how to develop it within the company solely, but also how the partner can be a part of that.

Testing

The findings here show that the offering was first tested internally and externally before it was offered to the business customers. The internal testing was done with a department within the company, they then provided feedback. The next step was to test it together with a

current business customer, this was done to get the validation and the feedback from the customer's point of view.

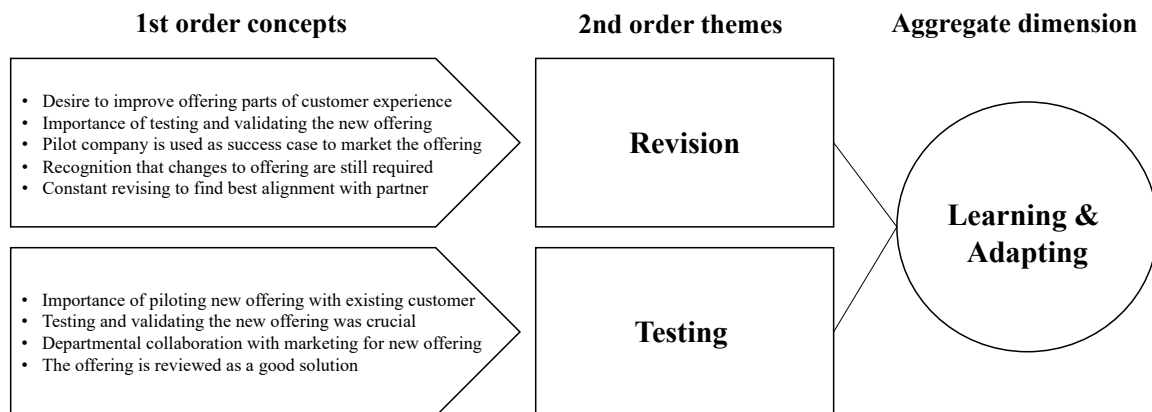


Figure 17: Learning & Adapting in Output-Based project

5. Discussion

To analyse the findings presented in chapter 4, first, a within case analysis will be conducted to understand the use of the DSIC's separately. This will be done through analysing which and how different DSIC's have been applied within the cases. Following, this outline of the application of DSIC's within cases, the management of individual DSIC's within the respective projects is synthesized with similar theoretical concepts to provide a holistic understanding of their use. Subsequently, a conceptual model illustrating the sequential process within the archetype is presented to provide a simplification of the synthesis between theory and findings and finalize the within-case analysis. In the final section, the expressions of DSIC's within the archetypes will be motivated and reasoned through comparing and contrasting with relevant theories derived from chapter 2. Next, a conceptual model sums up and simplifies key conclusions. Ultimately, the final section serves the purpose of providing an overview of how and why the different DSIC's are used alternatively between the archetypes.

5.1 Process-Based Archetype

5.1.1 Signalling user needs (SUN)

Analyses of findings for this capability imply that SUN is driven and characterized by collecting, managing and processing customer input.

“Then somebody got the task to investigate this. (...) like what is the most important for you to be able to get advice about from us. (...). So, we need to figure out what is the most important information for us to have easy at hand for people.” (1.1)

In line with Den Hertog et al. (2010), SUN is illustrated by emphasizing with users, which in this case has been used for determining the (development of the) process of interacting with customers. In turn, it can also be concluded that the basis for the value creation process of this type of project is driven by external information knowledge from the customer.

“So luckily the group that was before you, who had the tasks to check with all our customers what they expect from us and what is value creating for them.” (1.1)

Thereby, the function of this external knowledge can be compared to what Grant (1991) described as flexible integration, which in this specific case is manifested as a basis for new value creation in the form of increased member satisfaction.

“Exactly, increase hospitality and thereby increase member satisfaction.” (1.2)

5.1.2 (Un-)Bundling

The analysis of this capability shows that within- and cross-departmental collaboration was used to leverage and integrate knowledge. The cross-departmental collaboration was used to leverage the different knowledge present within departments pragmatically, meaning that the skills of the different departments were used to conduct as Grant (1996) would describe activity related tasks.

“And they are also the experts on operating the clubs at least they are our best people. That’s why they are our key people. And HR came in more as they are experts in education.” (I.1)

The collaboration within departments was used to integrate knowledge that led to the ideation on how practical solutions could be reached. It can thus be said that a high flexibility of integration as suggested by Grant (1996) was used in this dynamic capability.

“The idea came up and then we were talking about it in our regional manager or country manager group and we had different meetings what should we do and what can we do? (...) So, the initiation phase it took around at least 6 months before we started with anything.” (I.3)

5.1.3 Co-producing & Orchestrating

The findings indicate that the co-production process was manifested through finding and managing the right external partner that can perform what Grant (1996) would classify activity-related tasks.

“Because we would outsource now things that we would do ourselves before. Cleaning was the big thing but there were also other things. But then we decided actually to, to test if we were right about which activities we should be doing.” (I.1)

“So, we made the longlist shorter. And uhm, then we decided to go for some main points that uh, that we at that time decided need to have external help with. So, for one thing is saying that we are going to work with hospitality, it doesn’t give you any tools (...)” (I.1)

It was thus found that the partnership was of a passive nature and that the role of the partner within the service innovation process was to supply the key component of the service they offered. Furthermore, the orchestration of the partnership was operated through ensuring moderation of the position of the supplying partner, to limit the influence the partner could have on the new process development, supported by the following quote:

“We had another company that we also been working already for 10 years and they got around 85 – 90% of all the sites and that’s not good either. Because they have the monopoly or what would you say.” (1.3).

5.1.4 Conceptualising

The analysis of this capability shows that conceptualising is manifested in the transformation of a rough idea to an explicit idea (Den Hertog et al 2010). Specific parts of service offerings are seen as sequentially following each other as suggested by Helkkula et al. (2018). Consequently, the conceptualisation was focused on components composing the output.

“When we started the project (...) the situation, the work environment and situation of our SR’s on the sites it was not that good. They were not pleased, not engaged and they had a lot of tasks to do on a daily basis. So, the idea came up (...) what can we do for our SR’s to make their work life better” (1.3)

In this case, it was challenging to conceptualize a clear service offering, given the focus on individual components of the job design, the primary focus of this project.

“Because that wasn’t in job requirements before. Before we had like well you need to be nice and that you need to be able to sell things. (...) And that we changed into we have to be really good with hospitality (...)” (1.1)

5.1.5 Learning & Adapting

It can be concluded from analysing the findings that this capability was utilized continuously as the development has been an ongoing process. This utilization of learning & adapting is strongly comparable with Grant’s (1996) definition of flexible integration: the continual renewal of competitive advantages through innovation and development of new capabilities.

“But I am not pleased, yet. Because we need to do this more and more and more. Further on.” (1.3)

“And we are sort of still in the education phase even though we started to work with uh ways from hospitality.” (1.1)

Also, it should be pointed out that the project’s aim has transformed based on the learnings made throughout the process, in line with Teece’s (1997) explanation for using dynamic capability: specific organisational and managerial processes are shaped by the strategy of the company.

“Yes. And the difference with the transformation, in a project you have a starting point and a review phase. (...) It was supposed to be a project. And now it has transformed to a transformation process. It is really about a cultural change.” (1.2)

Given the concept’s relative newness, management now was focused on determining the approach for measuring the right performances and understanding their meaning to be able to adopt the specialized knowledge required in the process. The integration efficiency can be seen as relatively low because a lack of common knowledge lead to challenges in measuring the outcome resulting from the process innovation (Grant, 1996).

“If you just say that you want to be world champions in hospitality, okay. But how are we going to measure that?” (1.2)

5.1.6 Scaling & Stretching

For the project to be implemented and scaled, new capabilities were required and acquired through new HR strategies. Therefore, based on Grant’s (1996) definition, the flexibility of the knowledge integration in this project has been quite advanced.

“We changed that whole process, to make sure you have some simple tools from day one when you start working. We changed the whole recruitment process.” (1.1)

However, it was analysed that even though the knowledge form was relatively explicit, it was challenging to integrate the managerial strategy with operational procedures, an observation in line with the central concept of the knowledge-based view (Grant, 1991). In this particular case, production or value creation as defined by Grant (1991) was troublesome, possibly because of a limited knowledge integration efficiency driven by a low level of common knowledge.

‘And something like this new to stick you have to repeat and repeat and repeat and repeat. You always need more meanings and shorter. You have to make sure that it is bounded into people and that they really figure it out.’ (1.1)

5.1.7 Essentials

High efficiency integration of knowledge is used to ideate and identify the required focus on the content of the components. After the ideation, components are developed within departments and by partners performing activity-related tasks, due to their specialized knowledge. The components form the basis for co-creation with customers, which is utilized to validate the proposed component changes. Due to this new influx of knowledge, the successive continuous development of specialized knowledge requires new integration with

the components. As a result, integration flexibility becomes more substantial and relevant in the process-based archetype. A simplified illustration of the essentials of the process-based archetype is illustrated in figure 18.

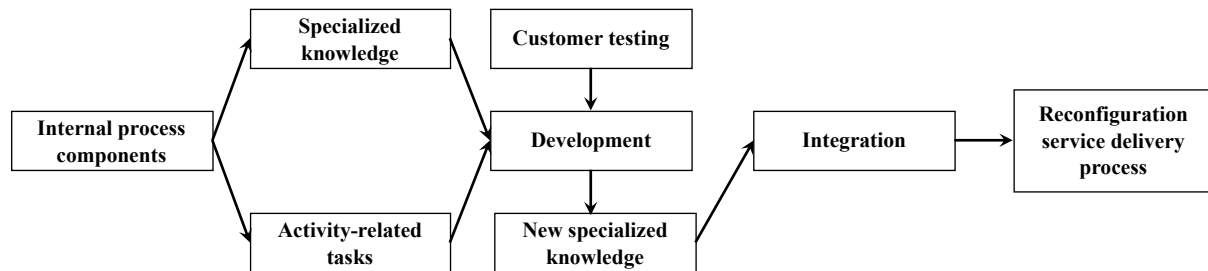


Figure 18: conceptual model process-based archetype

5.2 Experiential Archetype

5.2.1 Co-producing & Orchestrating

Analysis on the use of this capability showed that the partnership was focused on the collaborative process between the company and partner. The collaborative process was characterized by the constant co-development between the companies that would eventually lead to the end concept. In this co-development specialized knowledge of both parties led to a high scope of integration (Grant, 1996).

“So, uh after that the agency went back to work and they put us up with sort of an overall uh meeting where they had brought a uh workshop where they brought material with them. This is uh you know we are working with one phase which were colours, these were kind of like the colours that we are working with on the material.” (2.3)

As suggested by Grant (1996) a high scope of integration leads to a low degree of imitability. In order to ensure the low degree of imitability the focus was put on the partner alignment regarding the orchestration of the partnership.

“Yeah exactly no, the aim was actually uh going to London uh let them know because that was a new world for Company C as well, they hadn’t worked with a gym chain before not with the gym industry.” (2.1)

5.2.2 Signalling user needs

After analysing how this capability was used, it could be seen that this capability was managed differently twice in the project.

First it was concluded that departmental expertise was translated to user needs for changes in user's experience, conceptualized as specialized knowledge by Grant (1996). This utilization of the signalling user needs capability is comparable to one of Wu & Nguyen's (2019) influences on DSIC's: the learning orientation. In this case learning orientation is manifested as the tacit knowledge developed over the years, used for challenging old assumptions and the firm's organization to address these assumptions.

"For sure, I would say, so the customers voice is heard. But we haven't gone to the site and asked them. We think and we have a good picture of what the needs are ... yeah. "(2.2)

Second, it must be pointed out that the basis for this project for the new service development has been formed on tacit knowledge in the company. However, to utilize this basis customer input for the concept was required. This is relatable to what Grant (1996) referred to as a high scope of knowledge integration where specialized knowledge plays a complementing role in the innovation process.

"I uh, I am not sure how that were defined after that or what direction was that. But we did some focus groups, so we checked it actually and it tested very positively. "(2.3)

5.2.3 (Un-)Bundling

The analysis indicates that the integration of specialized knowledge is key to create a holistic view on the project status and give inputs from different perspectives. The emphasis in the knowledge integration was the translation from tacit to explicit knowledge, in line with what Grant (1996) suggests. The emphasis of integrating the knowledge was on gaining insights from different individual parts that together would form a synergetic input for the offering.

'I think (...) the biggest challenge (...) was the material that we chose because from a design perspective you had one look and from a cost perspective you had another one (...) to make sure that you understood that. "(2.1)

Making use of departmental capabilities translates to what Grant (1996) describes as broad-functional capabilities, which were integrated with a high scope due to strong complementarity.

"We did that our whole department (...) also colleagues in other countries participated in a workshop where we worked out the demand list of what we would want to have from a new system, what (...) kind of solutions we see that it should bring, what value it will bring to us, the company and to the members" (2.2)

5.2.4 Conceptualising

The analysis of this capability shows that conceptualising is manifested in absorbing knowledge and in the transformation of knowledge to go from a rough idea for a new service offering into a viable service offering (Den Hertog et al, 2010). External knowledge was gathered to provide direction and inspiration to the strategic direction.

‘‘So, (...) we went to London, to get an idea of what do the cool gyms look like. So, uh that was very important that we did that trip. Because there were some very good ideas that we could see or copycat, like the navigation, or maybe the lights. ‘‘(2.3)

The external knowledge that had been gathered had to be integrated, which demonstrates a high scope of integration (Grant, 1996). This integration resulted in an idea transformable into a viable concept.

‘‘And uh, so we went through all the different dimensions of the gyms, so we were talking about font, we were talking about navigation, we were talking about language etc. But we had all these different buildings so how do we put it together.’’

5.2.5 Scaling & Stretching

It was analysed that the focus in this capability was on converting tacit knowledge regarding strategy towards a standardized, tangible output for customers. In this case, broad-functional capabilities as described by Grant (1996) played a central role in defining the balance between standardizing and customizing the new offering.

‘‘The biggest job now is to have this company working as a global brand. (...) And the hard part is like yes, creative souls, they want to do their sort of touch and design, but it has to have like a red line through it.’’ (2.1)

It can be concluded that the integration approach in this project was moderately high in flexibility (Grant, 1996), as the knowledge integration entailed both cross-functional capabilities to define the overarching strategy as specialized capabilities for operational challenges requiring a more custom approach.

‘‘How does it look in a plus site and how does it look in a small gym. So, we needed the all the ideas that we had, we needed them to sort of make them big but also to be able to make them small.’’ (2.1)

As proposed before by Lyons et al., (2007), determining what to standardize in the process is tough but necessary for scaling services.

“That is important in the implementation phase. (...) we have done some projects and I think it’s important to do trial and test before you do the big launch. Maybe you can do it in one small part of the company before you go live like everywhere (...).” (2.2)

5.2.6 Learning & Adapting

It has been analysed that this capability has been utilized in a rather pragmatic manner. User testing provided input for potential revisions to the offering, carried out by the department on the forefront of communication with users, comparable to what Janssen et al. (2018) described as knowledge sourcing. By working closely with the customer, a high scope of integration can be analysed, as customer input is gathered to complement the internal reflections on the process (Grant, 1996).

“And uh, of course we had some setbacks there because some solutions were not practically really implementable and so like that we were going back and forth.” (2.3)

It can be concluded that the knowledge integration efficiency as proposed by Grant (1996) in this project was limited, due to a relatively low amount of common knowledge about specialized tasks for the implementation,

“We realized that it was too much work especially if you want to renovate all gyms. Then we had such a huge cost when it came to the floor. (...) So that’s something we changed.” (2.1)

5.2.7 Essentials

This archetype is characterised by its substantial use of tacit specialized knowledge of departments and partners. To make use of that, the scope of knowledge integration is high, but to make use of this integration, tacit knowledge needs to convert to explicit knowledge. In turn, this produces input for a concept, which is evaluated through testing with end-users. Conclusively, this provides knowledge for revising the concept, absorbed as tacit knowledge and eventually translated to explicit knowledge; signifying an iterative process. A simplified illustration of the essentials of the experiential archetype is illustrated in figure 19.

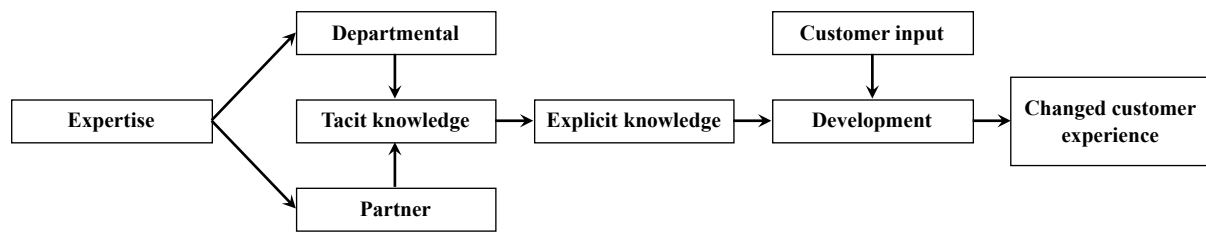


Figure 19: conceptual model experiential-based archetype

5.3 Output-Based Archetype

5.3.1 Co-producing & Orchestrating

Analysing the use of this capability indicated that the importance of this partnership was focused on the complementing capabilities both parties possess. The partnership was built on the fact that the individual offerings could create more value together than they could individually. This in line with a high scope of integration as suggested by Grant (1996).

"Together and have a win-win solution and to keep the initiation from both parties. And identifying common possibilities and choice. Like what to do I mean there are a lot of stuff we could do but to actually identify our common goal. And our common possibilities like." (3.1)

Following the importance of identifying the right complement to co-produce, a substantial focus was put on finding the right partner match.

"So, this could be, possible solution, possible partner as well. (...). And of course, that was with us in the background as well. But uh partner x has the perspective of the technique, uh, the solution, the technical solution. Technical aspects." (3.2)

5.3.2 Conceptualising

The analyses showed that the conceptualising manifested itself in co-creation and the use of specific tacit knowledge. Customer feedback was used for the conceptualising, in line with Ordanini & Parasuraman's (2011) definition of co-creation in service innovation.

"I think it's both, because the clients will give me the feedback more than company y, even though we should tell them that they can go straight to company y with that as well ... but usually they go through us" (3.2)

Furthermore, specialized tacit knowledge as described by Grant (1996), was used to conceptualise the specific offering and turn it into something explicit, demonstrating a low integration efficiency.

"Because I have done that before... on my own with my own company... I have consulted that. And how we could do that..." (3.2)

5.3.3 Scaling & Stretching

In this case, it was analysed that the offering lacked a systemized value delivery process. Due to a high level of individualized tacit knowledge, integrating knowledge with the organization proved challenging, resulting in a low efficiency of integration (Grant, 1996).

"But it can't be like... I can't be like I should travel to place x every week. So, we have to be able to build a system. So, we started like that and then we came to a point like now it's ready," (3.2)

Therefore, it was analysed that systemizing the offering could enable the organization to increase marketability and scale the product. In this case, the learning orientation as described by Wu & Nguyen (2019) of the firm seems limited, given the demand for the new offering.

"We are practically... basically losing hundreds of thousands every week because we have all these businesses in our network, (...) we could do some much more, we haven't been able to deliver it in a way. So, we are actually losing profit weekly on this... there is still a lot to do. We are just still only in the beginning." (3.2)

Because the offering consists of components from partners as well as the focal firm, the mutual ability to scale the offering was crucial. As a result, the flexibility of integration was quite high, merging the broad-functional capabilities of both parties into a service offering. Focusing on translating the specific knowledge of both parties to a viable, scalable offering was essential, which can be related to what Janssen et al. (2018) described as the process of knowledge transformation: "converting market signals into actual propositions" (p. 440) (Grant, 1996).

"And of course, they have an interest with growing with us. And potential to grow. I mean the right prerequisite to grow with us as well." (3.2)

5.3.4 Learning & Adapting

The interdependence with the partner for the new service offering production led to a continuous process of revising the party-specific contributions. Due to that, this capability was

operated through transferring knowledge and project-specific issues between the organizations, in line with the central concept of Grant of the knowledge integration capability (1996).

"And we are doing that within Company X as well. But now it is part of their offering as well. So, we are looking into how we could activate other parts of their full solution." (3.1)

Interestingly, this case showcases ambiguity in roles of employees both executing the service as managing the service development. It can be seen that this results in a limited integration efficiency. Relating that to Grant's (1991) structure of different levels of knowledge, it is analysed that this mix of specialized and broad-functional capabilities led to organizational need for converting tacit knowledge into explicit knowledge to be able to both standardize and systemize the offering.

"(...) It's going to be a development uh, going on for some years I would say to just find the exact right setup and. Matching it with them." (3.1)

Also, it was seen that validating and practically testing the product received strong attention. In this case, it was interesting to analyse that the testing and validating firstly took place on a small scale and after learnings were adapted on a larger scale. In line with Janssen et al.'s (2018) proposition, this validation is typically conducted through 'on-the-job' learning by interacting closely with their clients" (p. 448). Also, the validation provided input for the application of cross-functional capabilities for the commercialisation of the offering (Grant, 1996).

"Yes, internal validation. But we also had the external validation. With a company called 'Z' which is our partner and we did the challenge. And basically, that was the first one with the customer. And they were validating it from the real corporate point of view." (3.1)

5.3.5 Essentials

In this archetype the basis is on the synergy with the service offering partner, of which the matching was based on complementing capabilities in the form of specialized knowledge. As a result, there is a high scope of integration of tacit knowledge, which needs to be converted to explicit knowledge. Conclusively, this explicit knowledge in turn is translated to a systemized service offering. A simplified illustration of the essentials of the output-based archetype is illustrated in figure 20.

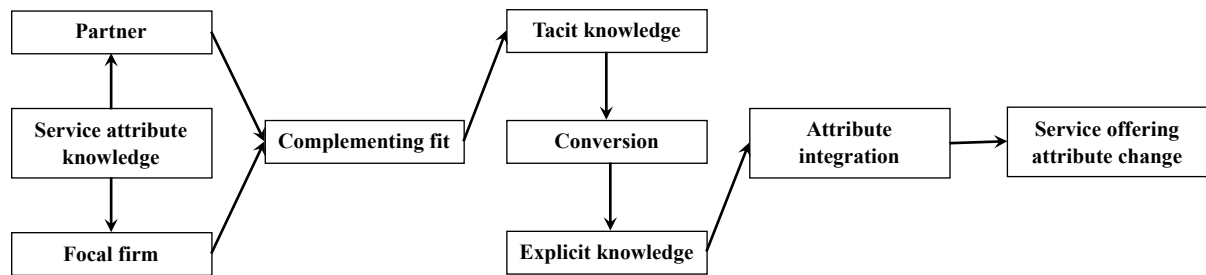


Figure 20: conceptual model output-based archetype

5.4 Conclusion

5.4.1 Process-based archetype

In this archetype, primary focus was on the ideation and conceptualisation of the service offering components. This focus is important because specialized capabilities divided between departments are required to ensure the quality of the individual components to assure a good service delivery process. Another conceptualisation of these capabilities is presented and related to intellectual resources as described by Froehle & Roth (2007). Essentially, these capabilities are a manifestation of the DSIC Bundling and Unbundling (Den Hertog et al., 2010). Following, the developed conceptual components were tested and more importantly co-created with customers as described by Ordanini & Parasuraman (2011). Much in line, Jaakkola et al. (2017) proposed reasons for involving the customer: co-creation is primarily used for designing a service delivery *process* with the ultimate goal of ensuring customer satisfaction and marketability. Relevantly, this is a representation of the use of the DSIC of Co-producing & Orchestrating (Den Hertog et al., 2010). After this process, departments had to reconfigure their components to translate customer needs into explicit adaptations for their process components, representing the use of DSIC Signalling User Needs providing input for the DSIC Conceptualisation (Den Hertog et al., 2010). Logically, the comprised components compose a new or changed service offering, matching the aim of the process-based archetype (Helkkula et al., 2018). The novelty of the service offering is likely to again require new specialized competences representing the use of DSIC Learning & Adapting, of which the outcome is processed through the DSIC Scaling & Stretching, which in turn is utilized through the DSIC of conceptualising (Den Hertog et al., 2010). Effectively, this illustrates both the end and beginning of the continuous process-based archetype (Helkkula et al., 2018).

5.4.2 Experiential archetype

In the experiential archetype, the basis was formed on the tacit knowledge of the focal firm and partners contributing their specialized knowledge in the innovation process. Because tacit knowledge needs integration to be utilized by the focal firm, development of collaborative competences as described by Ordanini & Parasuraman (2011) are needed. This can be seen as a manifestation of the DSIC of Bundling & Unbundling (Den Hertog et al., 2010). Relevantly, developing these competences can positively affect the effectiveness of the process (Vargo & Lusch, 2008). The collaborative process leads to a needed high scope of knowledge integration (Grant, 1996), emphasizing the importance of good knowledge integration mechanisms as proposed by Ordanini & Parasuraman (2011). This can be considered the expression of the DSIC Co-producing & Orchestrating (Den Hertog et al., 2010). Importantly, this formalization of knowledge integration is crucial in this archetype because of the strong variation between the utilized knowledge types and sources. Motivating that, Ordanini & Parasuraman (2011) proposed that a good integration mechanism enhances the capture, analysis and synthesis of varying knowledge types and sources. Essentially, this represents the management of the DSIC Conceptualising (Den Hertog et al., 2010). Due to the integration, the knowledge is applicable as actionable input for the concept evaluation as intended, elaborated by Janssen et al. (2018). The application of this knowledge results in input for the DSIC Scaling & Stretching (Den Hertog et al., 2010). Because customers in some cases are not aware of their experiential needs, involving the customer only in an evaluative role seems sensible in this archetype (Ordanini & Parasuraman, 2011). Partially, this is the way the DSIC Signalling User Needs is managed in this archetype, of which the use of output represents the DSIC of Learning & Adapting (Den Hertog et al., 2010). Definitively, the aim of the experiential archetype backs this sense: customers rationally cannot alter their own experiences since the firm produces and designs the value created within the customer experience.

5.4.3 Output-based archetype

The output-based archetype was characterized by its focus on creating synergies between specialists concerning attributes of a service offering. Specifically, this translates to a relevance on selecting collaborators possessing explicitly complementing capabilities to the focal firm. Importantly, specifically for the case in this research, the use of Signalling User Needs DSIC was not identified, given the strong focus on internal attribute reconfiguration and collaboration

with partners. The collaboration with the partner and lack of internal collaborations at the same time was the reason why the (Un-)Bundling DSIC was not identified.

To motivate the importance of capability complementarity, Janssen et al., (2018) have stressed before that the involvement of e.g. suppliers in a new service development process can be beneficial for gathering inputs for new value offering *attributes*. This way of managing input can be considered a representation of the DSIC Co-producing & Orchestrating (Den Hertog et al., 2010). Due to the often-implicit nature of this valuable external knowledge, being able to translate the external inputs to changes to attributes of the service offering is crucial. Janssen et al. (2018) agree that the transformation of this knowledge into viable service offerings requires strong attention for this reason. This is the manifestation of the Conceptualising DSIC (Den Hertog et al., 2010). Therefore, in service innovations focusing on changing the attributes of a service offering, strong integration mechanisms as proposed by Ordanini & Parasuraman (2011) are necessary. Finally, because the value in this archetype is derived from integrating the expertise of the parties involved in the innovation process (Helkkula et al., 2018), customers act as passive adopters and only provide feedback on the actual output resulting from this archetype. The customer feedback and process of integrating produce complements required for both parties to adopt in the most pragmatic way, representing the Learning & Adapting DSIC (Den Hertog et al., 2010). Ultimately, iterating between these learnings and the conceptualisation through knowledge integration form the expression of the Scaling & Stretching capability (Den Hertog et al., 2010).

		<i>How are DSIC used?</i>			
<i>DSIC</i>	<i>Process-Based Archetype</i>	<i>Experiential Archetype</i>	<i>Output-based Archetype</i>		
C&O	<ul style="list-style-type: none"> ➤ Testing & customer co-creation ➤ Managing external & internal input ➤ Ensuring good delivery process design 	<ul style="list-style-type: none"> ➤ Combine partner & internal knowledge ➤ Convert tacit to explicit knowledge ➤ Develop collaborative competencies 	<ul style="list-style-type: none"> ➤ Analyse partner role in value chain ➤ Identify complements to service attributes ➤ Synergies drive value 		
UB	<ul style="list-style-type: none"> ➤ Specialized capabilities main focus ➤ Integrate for ideation & conceptualisation ➤ Organised service delivery process 	<ul style="list-style-type: none"> ➤ Explicit knowledge used for integration ➤ Driven by collaborative competence ➤ Knowledge integration mechanism is key 			
CON	<ul style="list-style-type: none"> ➤ Basis on special knowledge integration ➤ Customer input drives reconfiguration ➤ Iteration with SUN DSIC 	<ul style="list-style-type: none"> ➤ Formalize integrated knowledge ➤ Formalization for conceptualisation ➤ Focus on value capturing possibilities 	<ul style="list-style-type: none"> ➤ Translate external input to attributes ➤ Integrate attribute development options ➤ Strong integration mechanism is key 		
L&A	<ul style="list-style-type: none"> ➤ Iteration in CON & SUN drives learnings ➤ Revisiting service delivery design ➤ Optimizing service delivery process 	<ul style="list-style-type: none"> ➤ Continuous process with customer ➤ Focus adaptation on knowledge utilization ➤ Utilize input SUN DSIC 	<ul style="list-style-type: none"> ➤ Customer input sourcing on new offering ➤ Translate input to change in attributes ➤ Collaboration for input adoption 		
S&S	<ul style="list-style-type: none"> ➤ Standardize knowledge integration system ➤ Optimizing service delivery design ➤ Systemizing service delivery process 	<ul style="list-style-type: none"> ➤ Continuous process with customer ➤ Focus adaptation on knowledge utilization ➤ Utilize input SUN DSIC 	<ul style="list-style-type: none"> ➤ Evaluate effects produced by L&A DSIC ➤ Translate learnings to implications ➤ Iterate with conceptualising DSIC 		
SUN	<ul style="list-style-type: none"> ➤ Customer input on delivery process design ➤ Reconfiguration based on input ➤ Iteration with conceptualising DSIC 	<ul style="list-style-type: none"> ➤ Focus on complementing knowledge ➤ Evaluate conceptualising capability 			

Table 18: overview of the discussion overview of the discussion

6. Conclusion

This research has contributed to the field of service innovation and new service development through exposing which dynamic service innovation capabilities are used in service innovation archetypes (1), how the DSIC's are manifested within separate archetypes (2) and identifying reasons for the varying use of these capabilities between the service innovation types (3).

The increasing dominance of service innovation in the world's most advancing economies has been one of the drivers of the present study. Importantly, significant differences between the goods-dominant logic and service-dominant logic required the establishment of generalisable theories applicable in service business.

Through adapting a broadly accepted categorization of service innovation types by using the archetypes of service innovation, this study provides a generalisable theoretical approach as well as a pragmatic view of types of service innovation. By investigating the use and management of the DSIC's within and between these types, the gap between research on service innovation types and the management of the service innovation process has been decreased.

Application of Dynamic Service Innovation Capabilities in Service Innovation Archetypes

First, it can be concluded that in the process-based and experiential service innovation archetypes, all DSIC's play a role in the management of the innovation process. Interestingly, in the output-based archetype, the DSIC's Signalling User Needs and (Un-)Bundling were not expressively manifested within the process. Second, it can be concluded that the DSIC's are used in varying manners, depending on the type of service innovation.

Manifestations of Dynamic Service Innovation Capabilities

To start, Co-producing & Orchestrating is manifested through testing, customer co-creation, managing external & internal input and ensuring good process delivery *designs* in the process-based type. In the Experiential type, it is operated through combining partner-specific and internal knowledge which calls for the development of collaborative competences. In the Output-based archetype, it is expressed through finding a complementary partner fit in the value chain with the focus on synergies to drive value.

Following, the (Un-)Bundling DSIC in the process-based archetype entails integrating specialized capabilities for ideation and conceptualisation, to ensure a good service delivery

process. In the experiential type, it is operated through a strong knowledge integration mechanism to be able to make use of needed collaborative competences to manage the synergies between complementing tacit and explicit knowledge of the contributing parties.

Next, it is concluded that the Conceptualising DSIC is based on specialized knowledge integration in the process-based archetype. Customer input gathered through the Signalling User Needs DSIC drives the continuous reconfiguration of the concept components. In the experiential archetype, formalization of the integrated knowledge of contributing parties is carried out and answering the question how to capture value receives strong attention. In the output-based archetype, external inputs are translated to changes in service offering attributes, which requires a strong knowledge integration mechanism between customer and focal firm.

Adjoining, Learning & Adapting is managed through constantly iterating between Conceptualising and Signalling User needs output to optimize the service delivery *design* and optimize the service delivery *process* in the Process-based archetype. In the experiential archetype, this DSIC is operated similarly but with an alternative aim: to discover how to best appropriate the newly generated value of the changed perception of the customer. In the output-based archetype, the focus is on gathering input to improve specific attributes of the new service offering.

Subsequently, the Scaling & Stretching DSIC in the Process-Based archetype entails standardizing the knowledge integration system to optimize service delivery design and systemize its process. In the Experiential archetype, focus is on discovering how to create a standardized experience with customers. In the Output-based archetype, the focus is on determining standardisable attributes of the new service offering together with the customer and discovering their place in the value chain with the contributing partner.

Finally, the Signalling User Needs DSIC in the Process-based archetype entails gathering customer input for reconfiguration of the delivery process design. In the Experiential archetype, Signalling User Needs entails understanding and using the customer's evaluation of their new perception for (re-)conceptualising the value creating role of the firm in the co-creative service delivery.

Causes for variations between applied DSIC's per Archetype

Conclusively, it has been found that the utilization of the DSIC's in the Process-based archetype is aimed at gathering specialized input and integrating it in the innovation process to ensure the quality of the components of the service delivery process, driven through the aim of

the archetype. On the other hand, in Experiential archetypes the DSIC's are managed with a strong focus on identifying tacit knowledge of experts in experience delivery and subsequently converting the tacit knowledge to explicit knowledge to be able to continuously change the customer perception for the better, also to best meet the aim of the archetype. Last, Output-based archetypes are typified by managing DSIC's in a way that the integration of (internal and external) specialist service attribute knowledge creates synergies valued higher than the sum of the individual attribute composition, to manage the reconfiguration of changed attributes, the aim of the archetype, in the best possible way.

6.1 Managerial implications

This research has discovered the way DSIC's are used within different types of service innovation and the reasons behind this utilization. The findings provide managers of service innovation with a novel perspective on previously not combined concepts: the archetypes of service innovation and dynamic service innovation capabilities. Through presentation of the use of dynamic service innovation capabilities in archetypes and identifying differences in the management of the DSIC in and between the archetypes, managers become more informed about their decisions related to the management of their service innovation types.

Firstly, managers operating projects with the aim of changing parts of the service offering or the process-based archetype should be aware that all DSIC's play important roles. Focusing on an efficient knowledge integration process is crucial for the ideation and identifying the change in process components. In this integration process, specialized knowledge related to activity-related tasks should be prioritised. During the development of the component reconfiguration, user input should provide direction. By doing so, the management of a process-based service innovation will be optimized.

Second, managers operating projects aiming to change the customer experience with a service should be aware that all DSIC's contribute significantly as well. To change the experience optimally, specialists' tacit knowledge should be leveraged through conversion to explicit knowledge. This knowledge should be used for the development of a new or changed experience, during which customer input should provide more direction. The customer input in turn should be managed closely, by adopting the input in an explicit manner for further continuous optimisation of the customer experience.

Third and last, managers aiming to change the attributes of the service offering need less focus on (Un-)bundling and Signalling User Needs. Instead, managers should focus on the other four

DSIC's through finding a complementary fit between knowledgeable agents regarding service attribute expertise. This (often tacit) knowledge needs to be managed carefully and ideally be converted to explicit attribute knowledge. When doing so, the knowledge can and should be integrated to develop attributes complementing the former service attribute offering for customers.

6.2 Limitations

Some limitations could be identified with regards to the study that has been conducted. The use of a single case study can have restraints on the generalisability of the study. Thus, the approach and reason behind the application of DSIC in the different archetypes might not be completely transferable to a different case. Moreover, when selecting different cases that present the different archetypes, managerial preferences of interviewees were not taken into account. This could also have its restraints on the generalisability of the study. Another limitation of the study is that for the three archetypes subject of study, only one project was investigated. Besides, the Systemic archetype has not been subject to study. Gathering data from multiple projects within the same archetype could have led to richer data with even more perspectives to enhance generalization. For example, the non-identification of two DSIC's in the output-based archetype in this project can be seen as project-specific and thus limited in its generalization. Another limitation on this study could be the nature of the industry, as described before the industry is in constant development and growth. Meaning that the findings are related to this industry specific characteristics, and the findings will not completely be transferable to an industry with different characteristics.

6.3 Future research

Future research could focus on different aspects that could prolong the aim of this study. Firstly, a quantitative study could be conducted studying the effect different DSIC within an archetype have on the different steps on the process and the outcome to determine which DSIC's are most important within each archetype. Secondly a more extensive (possible multiple case) qualitative study could be conducted focusing on the use of DSIC's within one archetype, to enhance the generalisability of the implications for this specific archetype. Lastly, a qualitative study could be conducted on the use of DSIC in the different phases of the service innovation process. This way a better understanding can be constructed about in what part of the process which DSIC is essential.

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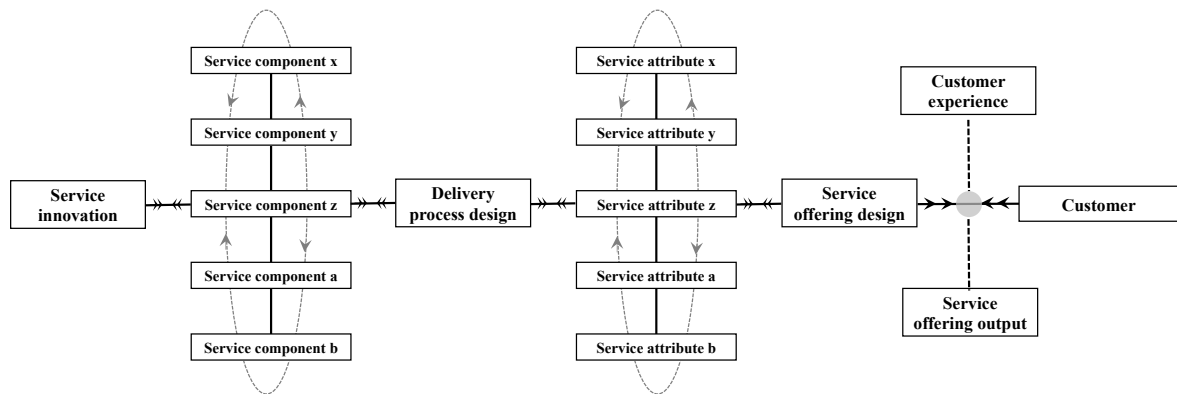
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Appendices

Appendix I: Illustration of distinction between archetypes



Appendix II: Interview Guide

Introduction

Hello (name), thank you for coming and your time. We invited you here today to answer some questions regarding our research for Lund University. We focus on discovering how service innovation is managed in a service company, in this case company X. Before we start, do you have any questions? We would like to record this conversation, for analytical purposes. After the completion of the research we will delete the recording. Are you okay with that we record it?

The following structure is followed in the interview

1. Theme

- Main question
 - Sub/follow up question(s)

1. Project questions

- What was the aim of the project?
- How or where was the project initiated?
- What was the result of the project?
- What was your role in the project?

Do you have some additions? (to partner)

Now we're going to ask you about how the team proceeded with the innovation project. We distinguish between three phases in the project: Phase one is about how the idea came to initiation, phase two is focused on how the idea was developed and phase three focuses on how the idea eventually was implemented.

2. First Phase of Project

- Can you guide us through the first phase of the project from start to end?
- What was crucial for the first phase of the project?
- Can you tell us more about which colleagues were involved in the first phase of the project?

3. Second Phase of Project

- Can you guide us through the Second phase of the project from start to end?
- What was crucial for the Second phase of the project?

- Can you tell us more about which colleagues were involved in the second phase of the project?

4. Third Phase of Project

- Can you guide us through the third phase of the project from start to end?
- What was crucial for the third phase of the project?
- Can you tell us more about which colleagues were involved in the third phase of the project?

Do you have some additions?

5. Dynamic Service Innovation Capabilities

- You mentioned (DSIC x) in the phase of the project
 - How did this (DSIC x) influence this phase of project?
 - Why was this (DSIC x) used in this phase of the process?
 - Signalling customer needs and technological opportunities
 - Co-producing & Orchestrating
 - Scaling & Stretching
 - Conceptualising
 - (Un)- Bundling
 - Learning & Adapting

6. Capabilities

- You mentioned that person x was involved in the third phase of the project, in what way do you think his/her skills influenced the first phase project?
 - Why were these skills used in this phase of the project?
 - Repeat until all skills used in project are clear
 - Cross-functional capabilities
 - Broad-functional capabilities
 - Activity-related capabilities
 - Specialized capabilities
 - Single-task capabilities

7. Overall

- What do you think overall had the most significant contribution to the project?
 - Why do you think so?

Conclusive part

These were all the questions we wanted to ask you. Thank you very much for your time and cooperation. Do you have anything else (or anyone else) you think that we must be aware of related to our research?

If yes, ask what we need to know

If no, thank again for time and close interview

Appendix III: 1st order concepts and representative quotes

Inter-view	Nr.	Quote	1st order concept
1.1	1	Okay, well actually the uhm first aim of the project was to uh to keep our employees longer. To make their work tasks easier. And to make them more uhm aligned with what people are good at and what they're really looking for in working in the company type industry	Making employees retain to make members happier
1.1	1		First aim of project is employee retention
1.1	2		High employee turnover was motivation for project
1.1	3	Constantly training people and constantly working with people that lose productivity and then you can't get a good relation with the members because you lose staff all the time. Right?	Losing staff means losing customers
1.1	4	And all these different parts are very costly in indirect costs because it is actually the member satisfaction. And the member satisfaction is directly related to the profit. This is all logical.	Decreasing member satisfaction costs money
1.1	5	But uh we could improve it at uh and then we decided we had to do something. And we tried to discover what the problem was. The problem was there were so many tasks that were not related to hospitality and were not related to what people see as tasks when you work at a company type centre.	Problem for employee turnover was too many technical tasks
1.1	6	So, people have an idea when applying for a job like being the center of attention, working with relations with the members and talk about training all the time you know. But when they came to us uh they had to a lot of uh administrative, a lot of uh, reporting and do some cleaning. Actually a lot of cleaning and also some technical tasks like, taking care of the mechanical parts of the equipment that we have.	The FLE role was perceived more hospitality related than in reality
1.1	7	And this was actually a big contributor to people feeling that the job was not really what they expected. And they felt a little bit cheated or at least that they are in the wrong place.	Different FLE job expectations led to disappointment
1.1	8	And that's when they said okay this is not what I wanted so I am leaving. Uhm. People thought we were a good employer and that we were giving them a lot of opportunities, but the job didn't match the perception. So we had to change that.	Disappointed FLE's wanted to leave
1.1	9		Actual FLE job was too technical
1.1	10		Too technical job led to lack of service
1.1	11		Lack of service led to bad behaviour customers
1.1	12	So then we took away all those tasks that didn't match the perception of what it is to work at a company type club. We created a lot of space, we created a lot of time. (mumbling).	Management redesigned job activities
1.1	13	Because we have taken away a lot of different tasks, what are we gonna do that is value creating. What are we gonna do that fits the customer most.	Idle time was motivation for finding new job activities
1.1	14		Idle time created opportunity for new value creation
1.1	15		Interviewee was project manager
1.1	16		Team consists of top and middle management
1.1	17		Project team came together in two-day sessions
1.1	18		Brainstorming used for finding new value
1.1	19	And we made an idea of what that could be. And further in the project we looked in what would be the costs to uh to put this things into action.	Costs were important in choosing option
1.1	20	So we prepared everything, getting also an idea what total costs for the implementation would be.	Practical feasibility was important
1.1	21	Because we would outsource now things that we would do ourselves before. Cleaning was the big thing but therer were also other things. But then we decided actually to, to test if we were right about which activities we should be doing.	Costs for outsourcing were analyzed early
1.1	22	So luckily the group that was before you, who had the tasks to check with all our customers what they expect from us and what is value creating for them. So they actually interviewed a lot of people in a lot of cities around Sweden and they came up with a recommendation of what we should be focusing on with our project.	Testing activities was relevant for identifying value
1.1	23		External research tested value creation with customers
1.1	24	And uhm then in May last year we launched the project. Basically that was when we started taking away all the tasks that were technical and not hospitality.	In project launch, FLE job activities were transformed
1.1	25	And we are sort of still in the education phase even though we started to work with uh ways from hospitality we started to work in different ways systematically to bring more customer value.	Activity transformation was supported by education
1.1	26		Education is ongoing process
1.1	27		Project goal achievement is still far away
1.1	28		Project goal is being the best service provider

Inter-view	Nr.	Quote	1st order concept
1.1	29	So the project was actually starting in 2015. And launched in 2018.	Project start to launch was 3 years
1.1	30	Yeah exactly, because it was called something else before People were trying to do before to try to fix the problem of people leaving us for other opportunities.	Project aim transformed in the process
1.1	31	I was COO, so basically I was working mainly with operations. So all these people were reporting directly to me. That's why I became the project leader.	Project leader was operations manager
1.1	32	We, we do see results. We can't prove that results because of the activity. We just think its like that	Results are hard to prove
1.1	32	Exactly. We see that the KPI's have changed but we don't have prove that the KPI's changed because of new activities, it could also be coincidence.	Result is hard to measure
1.1	33	Yeah I think the most important part was to, that people, this is cliché but to make people think outside of the box.	Most important in phase 1 to think outside of box
1.1	34		Company operations was trained for efficiency
1.1	35	And following the protocols that we have.	Company operations was trained to follow protocols
1.1	36	So the entire education system that we have for the employees and the routines, everything is just trimmed into making sure that we do that as efficiently as possible.	Education system development was aimed at being efficient
1.1	37		Development process required rethinking basis of operations
1.1	38	What should we be doing to make the customer uh appreciate as much as possible when we have the option.	Questioning what is best for customer
1.1	39		Competence needed to be developed to meet customer need
1.1	40	You cant just tell people to act differently from the one day to another.	Developing new competence was challenge
1.1	41	Well basically they were part of the project group, so if I was the project leader, they were the project group. So the project team is supposed to do all the activities in the project.	Middle management was project group, top manager project manager
1.1	42	So basically we did a brainstorm on the different activities that we thought we should be doing in the clubs.	Brainstorm for defining scope of project
1.1	43		Ranking ideas to delegate tasks for feasibility test
1.1	44	So one thing would be that we would change the opening hours. Then one person got the task to investigate at what time would people like us to be there. We decided that we are going to be there from 12-18, that was our decision.	Project members task allocation for idea testing
1.1	45		Customer feedback was gathered for idea testing
1.1	46	And that will be from 16-22. Then somebody got the task to investigate this. Uhm and also, some, some more uh, softer values like what is the most important for you to be able to get advice about from us. Is it training, is it diet, is it, you know, simple things like do you want group training do you not want to have group training. So we need to figure out what is the most important information for us to have easy at hand for people.	Customer needs were investigated to drive project ideas
1.1	47	So we divided everything basically into different people with tasks lets say different things and they come back with a plan saying this is what we need to do, people want it like this.	Project tasks were divided between members
1.1	48	People were given you know quite long uh deadlines I mean they had like probably like three months for different meetings.	Project deadlines were soft
1.1	49	And they were quite free to even though I was following up a little bit on the progress they were quite free to do this work at, well next to their regular work. And they had to present to the group every quarter, that's why the project is so long into three years, because the pace was quite slow.	Project leader provided members freedom in project
1.1	50		Individual project member results were presented collectively
1.1	51	Uhm, yes so they basically came back and we decided okay so given the information that we now have which one of the points should we go for and which ones do we leave behind. Some were too complicated or the customers said we don't care about the point.	Decision making process was collective
1.1	52		Decision making was based on implementation complexity or customer needs
1.1	53	So we made the longlist shorter. And uhm, then we decided to go for some main points that uh, that we at that time decided need to have external help with. So for one thing is saying that we are going to work with hospitality, it doesn't give you any tools to, do practical work	Decision making process involved outsourcing option analysis
1.1	54		Ideas had to be practical

Inter-view	Nr.	Quote	1st order concept
1.1	55	Everybody knows what hospitality is, everybody knows what it means to be nice and everybody knows the importance of saying hello. But there are lots of practical things to do before you really have this competence.	Communicating new strategy was practically challenging
1.1	56	So then I took HR into the project.	Implementation phase required new project member in HR
1.1	57		HR was responsible for training for implementation
1.1	58	And they started to look into different education programmes. And we went through a couple and now uh we actually have our own it ended up being our own programme in the end. We did a few external ones, but we took the in-house.	HR searched for external training tools
1.1	59		HR developed own education programme
1.1	60	Yeah. We did a lot of things, we have the induction process. Basically when you are a new employee, right, you show up here. We give you like ten-day introduction to the company. Part of that is practical on the side and part of that is in the office.	Onboarding employees was improved
1.1	61	We changed that whole process, to make sure you have some simple tools from day one when you start working. We changed the whole recruitment process.	Tools were provided to FLE to adopt new strategy
1.1	62	We changed them to a company that are that we felt are more open minded. Just to make sure that we are not doing the same recruitment again, because we want new people.	Recruitment partner was changed for implementing project
1.1	63		Partner was required more open-mindedness
1.1	64	We want to change to a different company. New profile for the SR, new uh, new uh focuses in the background. So now we said for example we don't care about uh, your age, we don't care about your gender well we never cared about gender right. We don't care about any of those things. WE only care about how good you are working with people. And that you actually have a sports background in some case.	Project required new selection criteria
1.1	65		Focus FLE shifted from sales to hospitality
1.1	65	Before we were just trying to sell stuff, now were trying every time someone works out with us, even if he has for 10 years. That we have six moments, that's when you need to focus on selling. (indistinctive)	Focus FLE shifted from sales to hospitality
1.1	65	Because that wasn't in the requirements before. Before we had like well you need to be nice and that you need to be able to sell things. Right we had the sales approach. And that we changed into we have to be really good with hospitality. And you need to have a sports background because you need some type of credibility.	Focus FLE shifted from sales to hospitality
1.1	66	Yeah it was more the implementation	HR involvement was start of implementation phase
1.1	67	Yeah, so basically we are gonna make an evaluation after one year because now there are KPI's in the business that are directly linked to the project.	Evaluation is challenging because its hard to measure
1.1	68	Yes. And for the first year the goal is that we make this thing work, that all processes are in place, and making sure that we are working systematically with hospitality. But for the second year, we actually have an expectation to cover the increased costs of the programme.	Organizing for the new strategy is first goal
1.1	69		Return on investment is second goal
1.1	69	So it means that there actually needs to be a higher income because of this.	Return on investment is second goal
1.1	69	Because this programme costs a lot more than the old business model. So now the goal is to basically have the initiatives pay for themselves, so that means that we have to increase revenue a lot. Because its cost a lot.	Return on investment is second goal
1.1	70	Yeah, it is, uhm. You, well basically we make an assumption about, customer satisfaction because of our actions. And because the satisfaction goes over to how many months your average membership is	Satisfaction is measured based on assumptions
1.1	71	Yeah, I mean they are the best leaders in the company. I would say.	Leadership was reason for involving middle management
1.1	72	They are not the most experienced leaders but they are the best leaders. Because they have the toughest challenge if you look at how much staff they have, and how young the staff is and the experience level. They have by far the most difficult task and this is all about leadership right. If you want everyone to work in the same way and that every customer should have the same feeling when they walk into the clubs, you need a really really strong influential leaders on top.	Involvement with FLE reason for involving middle management
1.1	73	So they're the experts of getting the message across and how they make people change behaviours.	Changing FLE behaviour skill was reason for involving middle management
1.1	74	And they are also the experts on operating the clubs at least they are our best people. That's why they are our key people. And HR came in more as they are experts in education.	Operations know-how reason for involving middle management
1.1	74	Yeah, absolutely, most of them are really strong leaders. Most of them have quite a long experience in our company. So not only were they already experienced leaders when they came to us, they quite a lot of them have a lot of knowledge about operating company type clubs.	Know-how of operations reason for involving middle management
1.1	75	Yeah. In the ideation phase they did not need to cooperate much. Because they were working in completely different directions, right.	First phase was characterized by individual tasks
1.1	76	But in the implementation phase they had to cooperate and everybody had to do exactly the same thing.	Managing people working on different tasks challenge for project leader
1.1	76	There are seven people and four countries, and we are in the four regions. And the regions are very different. So here comes the challenge. To everybody manage this in the same way.	Second phase was characterized by collaboration and teamwork
1.1	77	And it turned out that they were not equally successful. Some did it very quickly and thought they were done	Project member performance differed
1.1	77	And some had a tough time getting going. And some were a little more thorough	Project member performance differed
1.1	78	So it was difficult to keep everybody at the same pace and at the same level of implementation because they did a very different job there.	Managing different performances was challenging
1.1	78	I think the main learning is that uh its difficult to uh to make seven people you know work in the same direction. It is very very difficult. And I also learned that nuances are lost on the way.	Managing different performances was challenging

Inter-view	Nr.	Quote	1st order concept
1.1	79	I don't think that this was the most efficient way. But we are kind of on time and running out of time for implementing this because we wanted to go inside with the 2.0 concept of the company type clubs.	Project could have been managed more efficiently
1.1	80		Launch ambition was different than reality
1.1	81		Launch required more developed education system
1.1	82	And one year ago we had a couple of different options for education that we hadn't really evaluated and now they have been evaluated and we know exactly what to do.	Evaluating right education was important for choosing
1.1	83	When you create a new concept you, you keep the same message to everyone but you get seven different understandings.	Communicating new strategy is challenging
1.1	83	And that's when nuances are lost. Just to give you an example of what I mean. We created a way of thinking to simplify for people at sites, the HMR: help maintain retain. So it's supposed to be something that you will remember from day one. That's my prioritization here. Help maintain retain. So if I am maintaining, and somebody needs help, I stop maintaining and go and help. So like always prioritise helping people.	Communicating new strategy is challenging
1.1	83	And it's also easy to know I only have three tasks. Its HMR. Its easy to like perceive what is my role then. But even though we were working hard on workshops on what is the meaning of the words, they are still a little bit different than we first intended. So help for example. A lot of people perceive helping as actually going up to something that is working out, giving them a hand. Help was never intended to be that practical.	Communicating new strategy is challenging
1.1	83	Help was supposed to be the part where you ask somebody who walks into a company type club. Is there anything I can do for you welcome to our company type club can I help you in any way? So already there, such a simple, simple three letter word HMR is lost. I don't think you can be thorough enough (laughs)	Communicating new strategy is challenging
1.1	84	Yeah and I think what we did is we did uh you know a few, few meanings, means a lot of time between the meanings. And something like this new to stick you have to repeat and repeat and repeat and repeat. You always need more meanings and shorter. You have to make sure that it is bounded into people and that they really figure it out.	Communicating strategy takes time
1.1	85	If there's too much time for people to reflect and think it goes in different directions.	Providing clear strategy boundaries is important
1.1	86	Yeah, it is not a very complicated project it's a very pragmatic project.	Project was pragmatic
1.1	87	Yeah I think we would have been more aligned, when we launched. Absolutely. I don't think it would be easy for us to do it in a different way because I took the people who have the heaviest workload into the project. So everything we did was on top of an already heavy workload. I think that's uh one of the weaknesses of this company is that were always growing, so were always a little bit understaffed. But we still put the development projects on top,	Project could not have been managed differently
1.1	88	And that leads to projects being uncomplicated, pragmatic, and you know, go quickly for the results. And that's when you get the different directions, people are perceiving things in different ways.	Workload in company is already heavy
1.1	89		Development projects are prioritized
1.1	90		Development projects are insufficiently funded
1.1	91		Small resources leads to practical project approaches
1.1	92	It needs to be a balance between how much resources you put in, and what the result should be and how it needs to be. You need a lot of resources when you expect to have a very big result. But if you're unsure about the result, you're afraid of putting a lot of resources then you start going with what you have basically.	Balancing between resources and project aims is important
1.1	93		Ambitious aims require larger resource input
1.2	94	We, the owner always wants to be better, and find new ways to differentiate us from the competition and, what we then discover is that we have a pretty good machine. Uhm. Out there in the operations, everything works, I mean, when you start the, you get properly introduced. And uh, yeah, there is a manual for everything and it's quite easy. And that's the problem because we have a lot of turnover. But knowing that the machinery works so well.	Continuous improvement comes from entrepreneurial mindset of owner
1.2	95	Which is the essence and the core of an entrepreneur. So our owner always thinks why should we stop here. Uh, why should we be happy with an NPS of this. Why should we be happy with only having services in present in six markets. How do we differentiate us from the competitors.	Continuous improvement comes from entrepreneurial mindset of owner
1.2	96		Competition is constantly developing
1.2	97		Company has unique selling point
1.2	98		A lot of employee turnover is a problem

Inter-view	Nr.	Quote	1st order concept
1.2	99	Yeah onboarding the gyms, like all the processes in the gym. When something breaks, you know who to call. He calls it fuss-free. And it is fuss-free. Operations is working like that as well. But, the uhm (voices in the back) (laughing). But still that can also be (indistinctive) have operationally excellent setup. So we define something like that we can be more productive. That's when we started looking into like okay. What would it mean if we increase our services from a customer point of view.	There are strong employee onboarding processes
1.2	100		Operational processes are well-developed
1.2	101		Good internal processes led to increasing customer value
1.2	102	So its basically where SR 2.0 was discovered. So its basically transformation. Going from operational excellence into hospitality.	Operational excellence was starting point for transformation
1.2	103	And being okay. That's a feature. We ticked that box for operations. And now we want the super excellence that provides the members or customers to preserve this.	Operational excellence should be more noticeable for customers
1.2	104	Exactly, increase hospitality and thereby increase member satisfaction. And thereby increasing the uh, uh, uh or, uh lowering the number of member turnover. So they	Increasing hospitality should increase member satisfaction
1.2	105	Yes no we were no part of that but we were sort of introduced at when what can you support in this part. And our part is still ongoing I would say.	Project is continuous
1.2	106	We looked into how we could use talented employees who is working in sites where we see they are (indistinctive). What do they do. And now we are going to train, the facilitators. And then train other (chatter in the back) uhh. And then these guys are gonna train their colleagues.	Good FLE are facilitators for training other FLE
1.2	107	Uhm, so so were going to have a were gonna train them into becoming facilitators.	Good FLE had to be trained into trainers
1.2	108	So the guy here the SR has super high scores. So we take him and ask him can you teach other people at breakfast meetings. So we train him to train other people. We call it the train the trainer concept. So we don't need a consultant costing a lot of money. We would look at who are the successful individuals here.	Reason to train internally was less costs
1.2	109	So we would give them the tool to actually train others. So we give them facilitator training. And then we are creating modules, thirty minute modules. Some are just 20, 15 to 20. Where they would train uh, we have one module focusing on new members. You know when we have a trial period.	Training the trainers consisted of modules
1.2	110	And uh we used to do is that you come in and you get a trial period and we hope. That you would become a member. After 7 days. We did not do anything. We gave you the card. We answered your questions and we hoped you enjoyed your training but we did not do anything, we did not interact with you.	Old member relation management was passive
1.2	111		New training aimed at understanding customers and providing service
1.2	112	I mean just you know by default three days after you signed up. Then you get a text like how was your first training and we call or uh you can text us on this number if you have any questions.	New members now get personal service
1.2	113	We need to start interact to make you feel like you are important to us. And uh we want to uh, sort of uh, we want to ask them. We want to ask the members. So that was the training module we are now looking into. How can we take care of these people who have shown an interest in becoming a member. And uh. And we are doing it internally.	Interaction with members required training for FLE
1.2	114		Solution training offered internally
1.2	115	So that's and that journey starts now.	Solution being implemented now
1.2	116	It's a new phase in the project and it involves us much more than it did previously.	Implementation requires more from HR
1.2	117	Ya uh, I mean, for me was more about looking at actually what is you are trying to achieve. And what do you think you want to gather with this. So I want sort of the business case I want to see the numbers on KPI's. Is it, yes do we want to, so are we actually putting the right focus on the right things that you can drive. If you just say that you want to be world champions in hospitality, okay. But how are we gonna measure that?	Role HR was to measure achievements
1.2	118		Role HR was to give meaning to KPI's
1.2	118	So for me and for HR that's the most important thing: what are the KPIS that you want to have delivered and how do we support that.	Role HR was to give meaning to KPI's
1.2	119	So yes now we are actually trying to do the right KPI's, because we have done a lot of other things at the same time. Being entrepreneurial does not mean running one big project but we have many.	Role HR was to select the right measures
1.2	120		Measuring effects was hard because of simultaneous projects
1.2	121		Traditional KPI's were limited in usability
1.2	122	And that has been a lot. We need to find the right focus and actually try to understand what is hospitality now and I think, we had one idea when we started and now, in the implementation phase we get slightly different idea.	Finding the meaning for the hospitality approach was hard
1.2	123		The project aim transformed along the way
1.2	124	It was a lot about help maintain retain when we started. Now its more about generally hospitality. I mean and how anything from and we tried to look at it like from proper phases. When do we meet the customer the first time.	Project implementation focus transformed during phase
1.2	125		Implementation focus changed throughout the organization
1.2	126		Focus on employees was important
1.2	127	See and it goes with finance, with suppliers, procurement, every part of it. Its not just a uh operations issue. And its not only about our members about retention, also about coworkers, potential buyers, suppliers.	Company partner relations part of project
1.2	128		Project transformed from only operations to organization-wide

Inter-view	Nr.	Quote	1st order concept
1.2	129	Companies you cooperate with. Joakim and the university, anyone! We should be, I mean, so everytime you meet someone from company type like they say shit, that's a bloody nice company. They are always friendly, they are service minded and always on their toes.	Everyone from company should be service-oriented
1.2	130		Project transformed from only for FLE to entire organization
1.2	131	Yes. And the difference with the transformation, in a project you have a starting point and a review phase. And that's how we first when we started it it was supposed to be a project. And now it has transformed to a transformation process. It is really about a cultural change.	Project does not have an ending
1.2	132		Initial purpose was with ending
1.2	133		Project purpose is cultural change
1.2	134	So I would say that the project has moved over to a transformation phase where we are actually trying to change the culture of the company. And not taking our allies out, we are going to have them as a backbone. But making it happen throughout the business, on all levels. It is a huge difference between where we actually set, what we aimed at to start with.	Project implementation is about transforming culture
1.2	135		Difference between starting point and now is large
1.2	136	This is my, I mean we are not formally. We are still talking about SR 2.0 so this is not formal. But I sense it in the way we talk it is being more and more. We were on this management trip now in South America, we did not use SR 2.0, we used hospitality. Not once did I hear anyone say SR 2.0 we said hospitality. And what do we need to make this happen everywhere.	Top management realizes relevance of hospitality
1.2	137	Yes and then we say like lets look at it from every, like from HR it means how we interact with potential candidates and also with the existing coworkers. And then from operational point of view you can also here is the phase for the customers for the first time, for the long-term customers. This is someone who wants to leave, or to freeze my card you have different phases in the sales process or in the customer journey. And that's for customer service so everybody do their own interpretation of hospitality.	Transformation needs to be company-wide
1.2	138		Customers need personal approach for their needs
1.2	139	Yes I mean customer service. We have been working closely with them and then ofcourse the operations. Uh we have been working closely with them. And marketing to some point as well. But most for with the project it was customer service and HR and operations.	Customer service was collaborator
1.2	140		Marketing was collaborator
1.2	141		Operations main collaborator
1.2	142	No but I mean for us it was I mean customer service owns the end guest and also complaints and stuff and so. So they have a lot of valuable information that okay so we see what is it typically that they are complaining about? Is it the fact that, or could we just say that as long we just roll out the 2.0 concept we don't have to worry about SR 2.0. If it was that easy, you just want to have a new layout. No it is not about that. It is actually about the interaction with the people in the gyms.	Customer service added value through providing customer insights
1.2	143		Customer service knows about complaints
1.2	144		The interaction with people in gyms is important
1.2	145	Yes and how do you create this and how do you meet and then then. Then of course it has been super fun because. People interpreted it in very different ways. Some people think it is about running around in the gym and taking peoples headphones off and say: HELLO HOW ARE YOU CAN I HELP YOU HOW ARE YOU DOING. (laughs). Its not like you know you see in some stores where you if you have been to the United States where they basically jump all over you when you enter the store and say hello I am Lita I am going to help you is there anything special you looking for? It is not what were looking for. But were looking for a way to interact, and like create a community feeling, within the local gym, so to speak. And I feel like youre a part of this and you are never going to wonder and like.	Communicating common job understanding was challenging
1.2	146		Giving meaning to new mindset was challenge
1.2	147		Creating a community feeling was purpose
1.2	148		Knowing the customer was important
1.2	149	Well, mainly in the beginning. To look at the kPI's and how we should look behind them. So if you just looked at numbers. I can give you an example from the bank where I used to work. We uh we sent out or the uh my my partner x the CEO of the company said like: please did you see the last customer satisfaction survey? The results? We are number 1 in Sweden, so uh. So. Communicate around this with everyone and create a nice Fika. A big nice Fika. And then I looked at then umbers 76% satisfaction ratio. The biggest in the bank industry. So I said hurray. Lets celebrate that 24% of our customers are not satisfied, dot dot dot.	customer service was important in beginning phase
1.2	150		Customer service was important in first phase because of customer contact

Inter-view	Nr.	Quote	1st order concept
1.2	151	Yes, they know a lot more because they interact, they have customer who constantly call them.	CS role was important because they interact with customer
1.2	152	And they know ah, this site has an issue with the SR who is sick a lot. And this site has a where you don't see that in the NPS. But they see like they log people who call in. And this site has an issue with the SR being late or something. Small things like that so you look at the number with the right eyes.	CS was important because they provide important context to numbers
1.2	153	Yes. So that was super important at the beginning.	CS was very important in the starting phase
1.2	154	Yes I mean they were not so much involved I mean after they gave us the right input to make it for us what we need to focus on. So in the implementation they have not really been a. Well. Partially they have. Because they have actually well Alexander has been on it but that was more because of him and his role. He's very good on stage he has a lot of things in his toolbox rather than only customer service. So we have been using here for more things like trainings. He knows for example Disc, that's a personality test. That's very popular one in which we put people in colours.	CS was not much involved in implementation
1.2	155		CS manager was involved because of personal qualities
1.2	156		Specific HR qualities led to involvement of CS manager
1.2	157	So he used that for his team to make it easier to interact when people call to try to box them which is a bit difficult but. So we have used him a bit in the implementation phase.	CS manager applied HR techniques for CS
1.2	158	So in the end it is about qualities and what they can do and not so much about where they work.	Selecting project partners should be based on qualities not about position
1.2	159	Yes, exactly. Remotely that. But also about branding, and we talked about our employee value proposition.	Marketing collaboration was about branding
1.2	160	Employee value proposition. So how you sell your brand to potential uh candidates in the recruitment process.	Marketing helped in employer branding
1.2	161	Yes, but also in line like if you would be working for us would you be ready when we would start talking about this 2.0 concept. We actually talked about ye, it would not be a bad idea because it is about development in this company. We were not like you would be part of it you would be trained and people like to be trained to have the opportunity to develop. And this development opportunity to learn more. About hospitality then, whats in your daily work so to speak.	The hospitality project was used as marketing tool
1.2	162		Offering training for the project was used as marketing for recruitment
1.2	163	So you could develop new skill. And also from the marketing perspective we had to look at, who are we now looking for. When we are hiring new people. Previously we would look for people that would be on time and take this seriously you know and not and now we are more looking like people like from the restaurant business, hotel business, who are used to hospitality. And don't find it hard to walk around in the gym and interact with people so the social skill part has become more important than previously. So that kind of dialogue we had with marketing.	New employees were perceived as marketing tools for new project
1.2	164	Well yes they have been super helpful, super helpful and they have more been like a dialogue. How uh, and we are maturing in that level. But we have not done a lot more until we had this dialogue and this we need to bring in. And also communicate to recruitment companies that this is happening. Before, people with a slightly different background that we haven't looked at before previously. Maybe people that already work in a gym or people that were interested in exercise. WE were like yes it is good when youre interested however it is even better when you are a happy candidate. You love to give service. You've been in the service industry along with them. So that has changed.	Marketing has been very helpful
1.2	165		Marketing has been dialogue partner
1.2	166	Well yes the CEO is more like, well we are all result oriented but he is more, a little bit more task oriented for the individual. So we go from this, from this to that. A bit more technically. But if he would sit here he would not disagree to anything I say.	CEO is result oriented more than HR manager
1.2	167	I just have another way of phrasing it. Because that's what in soft skill that's what I have, hes not so interested hes interested in the result but yes it was the SR 2.0 and here are the results. Here are the KPI's (shooting sounds). And I just see okay its correct but this a transformation (laughs).	HR manager contributes soft skill and meaning behind numbers
1.3	168	Yes my name is person z person xson and I work as a regional manager for region south. Ive been in the company for 7 years. When I started here in 2011 it was only 50 sites that we have and now we have 60 only in Norway let alone Sweden. So weve come a long way. As a regional manager I am responsible for 43 sites and most of them or all of them are in skåne, and most of them in location x, where we have approximately 20 sites.	Experienced middle management position
1.3	169		Manager was in the process since the beginning
1.3	169	I was here uh I've been here for 7 years and ive been from the startup of this project ive been there.	Manager was in the process since the beginning
1.3	170		Work environment of FLE was not that good
1.3	171	When we started the project, uhm, first of all, uhm, the situation, the work environment and situation of our SR's on the sites it was not that good. They were not pleased, not engaged and they had a lot of tasks to do on a daily basis. So the idea came up from that perspective uh from the beginning what can we do for our SR's to make their work life better	Work activities of FLE had to be improved
1.3	172	To make them feel more comfortable t stay in the company to get them engaged and so on. And when we did that at the same time I know person x and the owner were travelling around the world to explore new countries and new sites.	Retaining FLE and engaging them was motivation
1.3	173		Better hospitality was project driver
1.3	174		Project aim changed throughout process
1.3	175		Project aim was only HR related, transformed to company-wide strategy

Inter-view	Nr.	Quote	1st order concept
1.3	176	One of the tasks was to figure out the cleaning. Before the SR's were focused on the cleaning. On the sites we have a cleaning company and always had a cleaning company. But they did around 0-75% of the cleaning. And the rest of the cleaning the SR did the rest of the cleaning. And it took a lot of time depending on what type of site it was and the relation with the cleaning company and so on. So my part was to put all the cleaning to the cleaning company. And say to the SR's that they are not responsible for the cleaning anymore. You should not be cleaning that much that you have done before. So we tried so we tested this idea on for different sites for Skåne. And, uh, yeah so from the beginning it was not that good because as you know we we are a company that is open 24/7.	Manager responsible for improving operational activities
1.3	177		Selecting right partner was time-consuming
1.3	178		Telling SR's new job activities was manager job
1.3	179		How to outsource activities in good way was challenging
1.3	180		Outsourcing led to idle time for FLE
1.3	181		Outsourcing was costly operation
1.3	182		Determining partner quality level was challenging
1.3	183	I think it was rolled out two and a half year ago. (laughs) so my memory is maybe not that great. But I believe it started 2,5 year ago in the autumn	Project started 2,5 years ago
1.3	184	The idea came up and then we were talking about it in our regional manager or country manager group and we had different meetings what should we do and what can we do? Uhm, not really so much with a goal over here. What we should accomplish. Because that turned out along the way. So the initiation phase it took around at least 6 months before we started with anything. And uh, some of the projects uh, for example the supplements sales.	Project started in meeting with ideas for FLE improvement
1.3	185		First phase was only ideation
1.3	186		Decision making was done on top management level
1.3	187	So, I think it took around 6 months before anything happened. So just ideas for the first 6 months and then we started with the cleaning test as I said. And all of it, the planning phase took around 1,5 year, I believe. So last May we went live with the whole SR 2.0 concept. So we started the first of May. For most, for a few sites I have to say because it all depends on the cleaning.	Second phase was planning phase
1.3	188		Implementation entailed planning
1.3	189		After finding right partner next phase started
1.3	190		Finding right partner was prerequisite for starting next phase
1.3	191	Yes, the clean 2.0 is the most important if the site does not have clean 2.0 you can not work as SR 2.0. So here in the south, the last site that started working all the way as SR 2.0 I believe it was ingelholm in January. That was the time they got cleaning 2.0. But today all the sites in Sweden they are working according to the SR 2.0.	Finding good partner most important in ideation phase
1.3	192	Well only for the south we looked for new cleaning companies. Because uh when we had then uh (mumbling) what should I say. When we sat down with the cleaning companies and we said this is what we need from you, you have to come 2 times per day and you have to clean. Some of them gave us amounts that was not, this is not possible for us. We can not accept what you are offering us.	Finding partner fit was challenge
1.3	193	So we had to start the process from the beginning like okay you can not clean anymore and we took another cleaning company. So that took a lot of time to find the right cleaning companies. And we had one cleaning company that we had been working with over 10 years. We had to say goodbye to them because it was not possible to continue cleaning with them. We had another company that we also been working already for 10 years and they got around 85 – 90% of all the sites and that's not good either. Because they have the monopoly or what would you say.	Selecting partner was time-consuming
1.3	194		Providing partner bargaining power was threat
1.3	195	So that was the time when we could clean 2.0 until January everything was done. So but around August as you say 85% of the sites they were they had cleaning 2.0 and they were working as SR 2.0. But then it has taken a lot of time, uh, because it is not as like as soon as you get cleaning 2.0 you start working as SR 2.0.	After partners were operational, next phase started
1.3	196		Idle time was focus in implementation phase
1.3	197		Changing FLE attitudes was most challenging in implementation
1.3	198	Well as you say, in this autumn not so much happened. Uhm, we were talking a lot about SR 2.0 uh, we had some, uh training. As in educations. Eh but, my perception of the process is that, uh, I've been working with this for 2 years. For me it has been very clear.	Selecting training and education was time-consuming
1.3	199		FLE needed training to operate new strategy
1.3	200		Training programme helped operate FLE's new strategy

Inter-view	Nr.	Quote	1st order concept
1.3	201	And then we came up with more cases along the way and we started with the process in January and uh. It has helped us a lot to implement the SR 2.0, the hospitality and how we want to work.	Multiple training programmes were required to implement
1.3	202	But im not pleased, yet. Because we need to do this more and more and more. Further on.	Developing training and education is continuous process
1.3	203	Uh we have something in our minds it just needs to get out there. And uh, as you say, uh, its more challenging with the staff that has been working with us before. They were SR 1.0 as I said.	No FLE feedback is gathered for the implementation plan
1.3	204	They were trained in a certain way. We have recruited them from what they were before. Its kind of hard to change a behaviour and an attitude as I said.	Old recruitment method negatively influenced new strategy
1.3	205	And, so uh as you say I believe in my uh, in my team with my group here in region south, uh, on 43 sites, maybe 50% are working as we want them to work. Yeah. Maximum 50%.	50% of the FLE operate in the desired way after finishing concept
1.3	206	With training. With training and educations yeah. So uh. Well I have a new manager, uh, have you met person y?	Further education and training is required to complete
1.3	207	Yes the business manager of Europe yeah. And he has started the education plan. So the first, the first education phase or time is in about two weeks. And uhm, we will start with the trainers, the ones who are supposed to go out to the sites and educate the SR's. We will start to educate them first and then it will roll out in all 2019 as we say. We plan to roll out different educations and uhm training educations for SR. To make it more real and to make it happen out there.	New competence was hired for education phases after concept
1.3	208		After education programme is done full roll-out will be implemented
1.3	209	(sighs) well yes some of them. We have one SR that we well uh well we believe in educating all the others.	Internal employees are trained to train FLE
1.3	210	And then we also have two plus site managers who will be the trainers. And the rest is all the managers and all the regional managers.	Mostly middle management trains FLE
1.3	211	Well yeah all of us had other roles or different projects. I believe the cleaning part was the biggest part in this project. Uhm. Right now I can not remember hwat (laughs) the others did. But all of us had different parts and some of them, well was just to find out to uh, should we do this or should we do that? And the conclusion was no, okay we should not do this. Okay. Well then we know.	Project members had different roles in implementation phase
1.3	212		Top management prioritising steered project
1.3	213		All project members contributed in implementation phase
1.3	214	(sighs) Some. But that could have been better. Uhm I had uh, uh what should I say, uhm. Uh. When I was working with the cleaning project. I didn't involve the other uhm, I should have involved the the uhm purchase, uhm,	cross-functional collaboration could be better
1.3	215	Yeah procurement, exactly. Because they were not informed about this project. But if they were it would have been much better. So I did some decisions or assumptions that were not that good uh if I had uh talked to them first and involved them in the project. It would have been better than it was. So we have to do, when we started cleaning 2.0 we had to, when we were supposed to roll it out we had to stop it, pause it for a while just because yeah, some of the (laughs) some of the stuff that we started were uh not good in a, in a way regarding uh our uhm, uhm,	Not all departments were informed about project
1.3	216		Assumptions about other expertise areas slowed project implementation
1.3	217	Hmm hhm. At that time, I didn't said it before but the SR's had a lot to do on their site, they had around 146 tasks they were supposed to do in one week. And uh, we had uh, we call it self check control. With all the tasks they were supposed to do and most of them, uh, 90% of the tasks they were cleaning tasks.	Most of FLE activities were ill-focused
1.3	218	So it took a lot of time for the SR's. And they were just so focused on this self-check control they were not able to say hi to the members, they did not have time to interact with the members. So when we took the cleaning part away to the cleaning company instead. They had much more time.	FLE activities needed to be outsourced
1.3	219	And that's what they have today. They have much much more time to interact with our members. And to work according to SR 2.0 and hospitality.	More time was made for increasing service level
1.3	220	So that's why it was so important. And also, as I mentioned before, we were handling a lot of supplements that we were selling on the sites. Uhm, we had uh, whats it called, (Swedish word) a machine. A sales machine for supplements. The SR's tasks was to uhm, to order and uh to take uh take the delivery and put it in the machine and take it out and throw it away and uh yeah. We would have a lot of work with the supplements. But today we are not doing that. company z are uh, are handling all of that. So today we have the machine but we are not touching it.	Technical tasks were mitigated
1.3	221		Technical tasks were outsourced to supplier
1.3	222	So we took that away from SR's when we took the cleaning and suddenly they had a lot of time. And then we thought like what should we do with all this time. We need to give them something that's uh, uhm, that's good for them and it should be good for the uh, members as well. What should they do when they have uh. And this is what we are working today as of SR 2.0.	Removing all technical tasks created time
1.3	223		Finding right activities to fill time was challenge
1.3	224	How do I know like. Yeah that's only my perception. But, we can see that we had some cases and some tasks that we want them to do and we give them like hows it through the buddy programme as I mentioned before. But my perception of it is that they are doing the tasks. Maybe just for that week or uh just that day. Just to check it off	Evaluating project outcome is based on perception
1.3	225	And then they are falling back into old behaviours and they are standing uh, in the reception, or maybe hiding in the staff room and so on. I know that not all of them are doing this but I know some of them are doing that. So. Ya we need to uh, we need to uhm. More of our staff need to work according to SR 2.0	Danger of falling back into old behaviour is present

Inter-view	Nr	Quote	1st order concept
2.2	1	the thing is ehhh I have been seeing that for quite some time I am quite aware of where we are today, and we are quite aware of where we want to be. And the gap in-between. Eehhh and we need to fill that gap and we will do that by as	Gap between where company is now with regards to customer experience and where they want to be
2.2	2	you said automatizing, improving self-service and and the main vision is to minimize time that we spent on repetitive errand in order to maximize time we can spend on you know taking care of the members.	Automatize service to minimize repetitive tasks
2.2	3	Ehh the project at this stage is that we are evaluating different possibilities on different systems ehhh that we can use in order to improve the service towards the members.	Start phase of project about assessing right collaboration
2.2	4	Ehhh it is gone quite slow, much slower than I was hoping for. It is a big project for ... or it is a big ... it can be ... there are systems that are you know out of the box solutions, plug and play. That we can you know apply and they would work quite good in this matter like... intelligent FAQ's, chatbots or stuff like that.	Different solutions (by different parties) for the aim of the project
2.2	4	Ehhh but from an IT perspective we need to look holistically and see the big picture and think you know long-term thinking.	Different solutions (by different parties) for the aim of the project
2.2	5	So, we have to compare like eh the big platforms solutions, like Microsoft dynamics, that is big and expensive, compared to the out of the box solutions that are cheaper and more efficient but slower. Ehhh and more how would you say limited... we have to compare and make the right decision that is what has been taking a long time.	Solution must be valued in a holistic way to create long-term value
2.2	6	the demand list ehhh its two parts, I am speaking for CS and eh alongside us we have had Business Sales and they have been with us, so they have been doing their demand list from their perspective and we have been doing ours for customer service.	Requirement list was formed before consulting partners
2.2	7	"We did that eh the whole department here in place x and also the eh colleagues in other countries participated in a workshop where we worked out the demand list of what we would want to have from a new system... what what kind of solutions we see that it should bring, what value it will bring to us, the company and to the members"	Cross-departmental collaboration to compose a holistic demand list
2.2	8	"and we haven't ehmm asked members, like what do you want in that matter. But I think we know that quite well what we can see what type of errands they come with, how often. "	Within department collaboration to create departmental demand list.
2.2	9	For sure, I would say, so the customers voice is heard. But we haven't gone to the site and asked them. We think and we have a good picture of what the needs are ... yeah.	there was a good understanding of the customer and their needs
2.2	10	We can see when, so we have a quite good understanding of what we need to do for improvements. Eh its proper to say you know low hanging fruit, but we know we are eh in what area we would get the biggest return on investment in shortest time. So that is what we are working out.	There was a good understanding beforehand of where improvements can be made
2.2	11		Criteria and demands to partners were made clear, also in terms of the vision and strategy
2.2	12	We have sent that out beforehand the meeting, so that they could you know prepare their presentations. And in the presentation, we seen and made judgement that okay this covers or this will cover what we basically need.	The demand list could determine the alignment with the potential partner
2.2	13	Ehhh so I would say that's done and not everyone can supply everything, but the eh with the suppliers we met so far, they can eh supply something that is for sure good enough, all of them.	Current potential partners can deliver the value that is needed
2.2	14	So now it is about eh you know finish the business case, retrieving all that information, the cost the picture and comparing on that level.	Potential partners must be compared in terms of what they can bring
2.2	15	And here is where eh also the IT department gets involved, because it is basically an IT system. And they should have the holistic perspective of all the systems that we use. So that we don't as CS don't go ahead out speaking with anyone else and get a system for us. Which could have been more efficiently because other departments have similar needs maybe. That is why IT in the project. yeah.	Collaboration with IT department is essential, to make the best decision.
2.2	16	yeah and consolidate the the need for our organisation.	Choice of partner must be made in terms of what is best for entire company
2.2	17	And see where we can be efficient. Instead of ten departments getting different systems. Maybe there is a possibility to get two systems for ten departments. Or one. Or the platform solution you know. That is up to them to judge	Working with other departments is important to determine their needs
2.2	18	Yeah, they do they do. Eh there is different ... I have met or we have met with one supplier called They have the... they can provide a forum towards a forum, which is basically an interactive FAQ. Which is an extremely low hanging fruit for us to apply. To minimize the ordinary errands. They have chat functionality they have the solution on how to work with social media ... like that. So, they basic straight on functionality. Ehhh they ... we haven't ... they have presented what they can offer us and that's it. Out of the box solution, when we looked at dynamics. We don't talk to Microsoft themselves; we speak to suppliers for them.	Potential partner showed what they could offer
2.2	19	So, we had a meeting the other week with ... they are called Stratetytech. And their suggestion was to first have a solid very thorough eh workshop where we go through the demands and make a you know how you say (Swedish word) ... an analysis of what the organisations has before we take the next step. So that is their suggestion basically, that we would pay them for that, and we would spend a couple of weeks doing a very thorough workshop. In order to summarize all the needs and what the plan should be, if that makes sense. So, it is two different alternatives, so yeah.	Potential partner suggests figuring out together what company needs
2.2	20	ehh important steps with implementing eh pff eh involving all the stakeholders is important. Everyone that is supposed to work in the system to get them on board as soon as possible. To involve from the start, because otherwise you might do mistakes that they think of. And also, in the end you are presenting something that they don't buy. But if they are involved throughout ... I am speaking about my colleagues in my department the ones I am responsible for ... if they are in involved throughout the process eh in one way or another, that is good way to ensure that they will actually buy the end product as well.	Involving all the stakeholders in the implementation is crucial

Inter-view	Nr	Quote	1st order concept
2.2	21	That is important in the implementation phase. And otherwise it I personally haven't ... I don't have the big experience of rolling out big IT solutions, but we have done some projects And I think it's important to do trial and test before you do the big launch. Maybe you can do it in one small part of the company before you go live like everywhere. So that is also important in the Implementation phase.	Important to roll out the solution in a small part first and learn from that.
2.2	21	To see If there are any errors, instead of going from 0 to 100, let say we would implement the Kundu solution and we would go with that everywhere then of course the stakes are higher and if something is wrong it will cost more. If we would do it for example only for Lund centrum, this specific sight, eh, you might see some errors and you have the possibility to correct them before they get to big. To to a roll out like that is eh from my experience a good thing to do, something we have done before when we have implemented digital contracts.	Important to roll out the solution in a small part first and learn from that.
2.2	22	it does yeah. It gives more flexibility	Testing it on small scale gives more flexibility
2.2	23	no, it has taken time, the need is quite high from my perspective, I can see why it has taken time. We have opened up in markets, that has taken a lot of time and energy and resources from the company basically. So, this topic for us, is very important that it is almost been you know the second most important thing the whole time. It has been taken more time than it should have.	Getting the entire project through has taken time
2.2	24	Ehh but otherwise it is important as I said, we will save time and if we can use that time and invest that into the customers in the customer experience, it can have a tremendous effect on the bottom line. Ehhh both the effectiveness, how we work, but also the quality. Now we are in 6 different countries, doing like this we ensure that we work in a streamlined manner that you perceive as one company and not 6 different companies depending on where you are. So, there is tons of reasons why we should do this now.	It is important to constantly focus on customer experience by revising it
2.2	25	yeah. We... I can't say that we have had 50 members requesting something specific and that's why we started this. But we have... one change... this is not a big project, but this is a big change for the members that we are doing now in April in Sweden. Where members pay via direct debit. So, we withdraw the money at a specific date on a month, if that doesn't work, we do another try the day after, if that doesn't work, we send it to debt collection. Some week or so after that. Ehh what we are doing now, that we will have that initial draw, attempt to withdraw money. If that doesn't work, we will send an email to the members where it doesn't work for one or another reason. So that will be like 10.000 emails every month to the members that have something wrong with the direct debit. And telling them in a friendly manner that we can see that we couldn't withdraw the money eh you know that can happen to anyone. Please ensure that you have money on your account, we will do three more tries before we sent it to debt collection. So that's eh a much more customer friendly way to handle the payment solution. And it's based on customer feedback of course, where we could see that we need to do an improvement here. Even though, I can't say that members have said to us, do this. But concluded on the how we perceive members, the errands we get in, we have realized that okay, we need to do this in a more efficient and friendly manner towards members. That's one thing.	Project of changing the way the payment was handled in order to change the customer experience
2.2	26	from my personal perspective, eh I have been working for a bit more than 4,5 years. and I have been involved in various projects and business development errands with the system etc. So I think that I personally, I have a quite good understanding on how to pull the strings, what I should focus on, which person I should talk to, or what I should do myself in order to get a change in place that I see is needed.	Interviewee refers to knowledge about how to handle and get different things done
2.2	27	The payment solution thing is one example, but quite a good example, a detailed one, where we saw this... I knew we spoke to finance, the once working with the payments. We looked into it, we initiated this, and now it will in place in two weeks basically. So, from idea to a finished product, has been quite fast here. Another example is...	Finance department was consulted for this project to complete the task
2.2	28	we saw the demand, or we saw the problem basically. We discussed a solution with finance, eh we have person A, B, C working with payments at finance. So, I have had a chat with them, also person D at customer service, that works mainly with invoice questions was participating.	Cross-departmental meeting was scheduled to jointly discuss the solution
2.2	29	So, we had a brainstorming meeting where we discussed how we should solve this. Basically, going from one extra attempt to three. That would be one thing we came up. Because Person A knew that was a possibility that we could do. So that was decided at that meeting and we also decided that we should communicate to the members, that was decided at that meeting.	Working together with another department resulted in a fast solution
2.2	30	Ehh so in this specific case, is as I said, not a big project, but more as an errand. First meeting there we had some actions, eh delegated, person A was supposed to talk to the banks for the technical set-up. Ehh person B spoke with the business system to inform them, we spoke with the debt collection company in order to inform that we are doing this change. I composed an email that would be sent out to the members in a friendly tone of voice.	Different departments collaborated and informed the partners
2.2	31	The we had one or two eh follow-up meetings on this and like two three days ago everything was in place and we informed everyone. Operational staff, internally, our debt collection suppliers and everything that this is now in place and it will take effect the end of April. So that is from start to finish, quite fast in that case. And as I said, it wasn't a big project, it was more of ...	Internal organization was informed about the change in assessing customer payment

Inter-view	Nr	Quote	1st order concept
2.2	32	we have another project that I have initiated, I have told you with that we are working with the NPS... quite a lot. I think it's a good tool for us to measure customer satisfaction in different countries we can measure, Compare. See why they are satisfied and why they are dissatisfied, and we can take action on that. We can take the right action at the right place. But we need to eh... in order to develop the customer experience we need more feedback, more information from the members.	In order to get a better grip of customer satisfaction and experience more information was needed
2.2	33	So, we ... my idea was to complement and in addition to the NPS we will add like a new member survey. So, when you have been a member with company A, and you have been working out for two or three weeks. We will send a survey to you, you know catching up with you basically, saying that we just want to know that everything is okay, have we met your expectations, is there anything else that we can do for you. You know that sort of questions in order to ensure that how is the onboarding process for the members. I think that it is important, it can be scary to start working out at the gym if you are not accustomed to how it is.	To get more information from the customer a new survey was initiated
2.2	34	So, it is important to us to understand how the onboarding process works for the members... what can we do in order to improve to make people feel welcome, to get people to start in a good way.	Important to understand the experience of a customer and react to it if needed
2.2	35	If we could succeed with that, then members will stay for longer.	If customers are understood thoroughly, they will stay for longer
2.2	36	And also, we have eh made the suggestion boxes, made them in the same area, make them digitalised and we have added an exit survey in order to know why they quit. So, all these three, is three new surveys improvement and change and that is also handled like a project.	Actions taken to understand the customer even better
2.2	37	I think we can realize a lot from that. As you said the ambition is to get that knowledge.	Ambition is to understand customer better
2.2	38	Ehh I am not sure now what the learnings will be, but I am sure that we will get the learnings from the surveys. Ehhh and then the real challenge starts of course, to transform those learnings into actions within the organization.	Transferring customer understanding into action is challenging
2.2	39	if we see that the onboarding is perceived as complicated and hard for the member the we need to calibrate and adjust that, so it feels better for the members. I don't know per today what that will be But as I said before what we want to do is instead of sitting down answering the same kind of errands over and over again, we want to invest the time in this, to find out ... making these learnings. spread the quiet knowledge within the organization and being a part of transforming the knowledge to changes and actions throughout all departments that are involved. Was that an answer to your question?	Ambition to use the extended customer knowledge to serve the customers in a better way
2.2	40	And I think this topic like what I am calling customer experience part. I consider that being the most important challenge for our company. because everyone can offer gym equipment for 24/7, ladies' gym etc that is not very unique anymore.	Managing the customer experience is difficult.
2.2	41	it is, it is, and that's good you know you are nailing it. That is what it is about, what we can change is the customer experience, that is something you can't copy and that is something we can work with.	Providing certain customer experience can't be copied
2.2	42	One final word is that we are doing this NPS in all countries and when I compare the results in Asian country x and South American country x, I think I might have mentioned it before. Those two countries are very comparable to the sights the standards, the equipment. Everything is the same. Except the people. The NPS in South American country x is sky high, they are satisfied as hell, they are really doing a good job hospitality wise, they are delivering. In Asian country x we have people standing the desk looking at their cell phones, when members come to the site, and the satisfaction is down below the floor. So, that is a you know, well I rest my case card. That explains everything.	Different countries react different to same service, an example of difficulty in understanding customer experience
2.1	43	Yes, I work as an art director and I am responsible for all the graphic material and marketing material which is produced in company x. Also I help the owner, out with his other companies as well.. When we had company z that and for 24Sevengroup. It is not that much but sometimes then he uh like he has Fructoso which is a beverage and uh, I do things for them as well.	Interviewee describes his role as art-director of the company
2.1	44	My main purpose here is that uh I am uh responsible for uh, and that goes for all the markets I have designers in South American country x and Asian country x. But we set the main design here, and I help apply it. We actually just made a handbook that is going to help us a bit. I will send it to you guys as well. That is *mumbling* for all the managers and those responsible for the Marketing so, well. The biggest job now is to have this company working as a global brand. Because when it comes to Design and Marketing, everybody is an expert according to themselves. And the hard part is like yes, creative souls, they want to do their sort of touch and design, but it has to have like uh a red line through it. Otherwise you know like people in South American country x see what you do in Asian country x and 'oh I did not realize that it was the same brand'. So yes, that is my main purpose here at Fitness	Main goal with the Design is to act as global brand offering the same experience everywhere
2.1	45	Yes, when we decided that we need uh to change our image, uh, it was actually when we started to look at the new markets. Uh, I always had a vision there when we were going out into the world. I am not counting like Poland, Finland and Norway. But when we were going out to Asia and Latin America, the competition is going to be at a totally different level.	Change of experience was needed to operate globally
2.1	46	And uh, so we decided to create the concept group. And the concept group was for answering the questions about uh the new concept of course. And it was built uh from a peer from each department. Had Henrik that was responsible for PT (personal training). The same with group training, Anna, she was in there, so she represents the group training and think about the group training aspect when fitting into the new concept. And we had colleague x that was Operations, so she covered that part. It was the owner of course, the owner. We had a guy named john doe from IT. It was me and uh my former partner x. Uhm she was actually the project manager, the one leading the project. And it was a massive project.	Concept group with members from different departments was created

Inter-view	Nr	Quote	1st order concept
2.1	47	Uh. We started out with a company called x in place x. And we worked with them for half a year.	The project started with an initial partner
2.1	48	And uhm but we felt that we came to a point where we did not really understand each other. We wanted more and they could not give us more, so to speak. So we break with them and we looked into two other companies, based in Stockholm.	The partnership was not aligned and ended
2.1	49	It was company x and the other one was named company y. And uh we actually chose to go with company, we got a gut feeling there (phone vibrating). But that ended with uh, because we wanted them to write uhm an agreement that they were not allowed to work with the competitors, for three years. Because otherwise they could just take our project and sell it in, all the research and things would have been done and sell it to lets say competitor x or (mumbling). All of them wanted to change their gyms as well. If they have the knowledge already they can just sell it but we paid for that knowledge.	New partners were considered for the project
2.1	50	So we ended up with partner x and found an agreement that everybody liked.	Partner was chosen based on better alignment of needs
2.1	51	That's where everything starts.	Finding the right partner initiated the project
2.1	52	My role in the project was actually uhm was most into like others, graphic patterns and all the things like the visual station of the gym.	Interviewee role in project was focused on design
2.1	52	Uh, of course the owner had his say in it as well and uh he is very good, he has such a long experience he focused a lot on like the practical things as well like the machines, how to place them, how to get a good flow into the gym. And all his other experience from being in the industry so long.	Interviewee role in project was focused on design
2.1	53	My take as well is I was the one that talked a lot with their designers when it came to the colours, pictograms, fonts, all that things that uh, to approve that. So my role was mostly the design part actually. How everything works, its just, how it looks actually. The fun stuff	The owner of the company collaborated with the interviewee
2.1	54	Yes well we started with an inspiration trip to London, London has tons a lot of really cool gyms. And a lot of companies that do really really well. Went there with partner x to have a look at it and then the process started,	Project was initiated by inspiration trip with partner
2.1	54	I think it started in uh, 2016. And, (silence) late November or october I think we actually opened in South American country x. And South American country x was supposed to have the 2.0, we already had the 2.0 but we were not really finished with it. And it was like a time issue.	Project was initiated by inspiration trip with partner
2.1	54	In a perfect world we would have done all the design and like completed 2.0, tested it on a gym, tested building a gym on it, with all the uh, like, because then you realize with the walls what does work and what doesn't work and so on.	Project was initiated by inspiration trip with partner
2.1	55	And uh, but we had looked down, so we built it in San Fernando. And that was a really big challenge because we never built a gym with a 2.0 concept and we decided to put it on the other side of the world in a country we have never built a gym before either. So that was a huge challenge. And uhm, but yes we did it.	Project was rolled out but not completely finished
2.1	56	And we are still evaluating the concept, even though we rolled it out on a lot of gyms, there are still things that we realize that now we need to change this. Say for instance the floor. On the first concept we had like a rubber uh, uh rug, so to say or what do you say, mat.	Testing the concept would have been ideal
2.1	57	And then it was like a lot of work getting the surface underneath very good. When it is a completely new built gym, its easy, but when you get an old warehouse or something like that it is really hard. So we actually changed it to what we call a puzzle floor, it is parts that you just lay, you don't need that much work underneath. So that is something that has changed throughout the project but that's normal, you have to try it out to say this works and this doesn't work.	First gym opened in new concept was in new market
2.1	58	But yeah, first we did like the research and they came back with the thoughts that we had like this is something we talked about we talked about the fuss-free gym. That was a big issue in the concept that we wanted to create a gym. Like everything should be fuss-free, it should be easy. Just like a membership, you pay the fee, x amount, everything should be included. You don't have extra fees for this, that and or need a special card for this. Its x amount SEK and you get everything.	Concept is rolled out but is constantly being evaluated
2.1	59	And we wanted the gym to be the same. There shouldn't be any hassle, so that it would be easy to come in, use the product that we sell. It should be everything should be easy. And we also talked about the smart gym. That we want the customers to think like oh that is a smart solution there. That is a smart thing right here. Thing is, Because we don't have staff so much, that's also a huge challenge. Because it is easy to have everything when you have staff from 8 to 8. We don't. So we have to find out also a smart way of how the gyms work without looking to see and that the customers can help themselves. (People wanting to get into meeting room) (silence and gestures)	Challenge within the concept that needed to be revised and changed
2.1	60	I think the big challenge here as well that was actually something maybe the other ones have a better check on was the costs. Like when we rolled it out it was like gloves off it uh it uh it can cost like whatever it costs. But you cant work like that forever. So that was something that we realized before, like building this gym. We always have big thoughts about what everything costs. But when we rolled it out and it wasn't ready uh I think it costs a lot for the first gyms and it was a lot of trial and error.	Initial thought exchange with partner about the concept in the starting phase

Inter-view	Nr	Quote	1st order concept
2.1	61	Yes exactly. Well and we didn't know what it would cost exactly. We had some, uh like uh, they checked like yes the material should cost this but when you're at the other side of the world doing it as well and the builders don't really know what to do and the building constructors don't really know how to do it and you are on a short notice	Customer experience important when considering the new concept
2.1	62	So yes that was a big challenge as well to get the cost down and get efficient there because otherwise I think that the 2.0 cost a bit more it of course cost a bit more than the 1.0 gyms. But it's hard. We have to take that costs but we need to push down as well so it's a challenge even there.	Challenge to manage the cost within the project due to trial and error nature
2.1	63	And how to budgetize there because we didn't know what a gym 2.0 would cost to build at the end, bottom line.	Challenge in getting exactly what you need
2.1	64	Yeah exactly no, the aim was actually uh going to London uh let them know because that was a new world for partner x as well they hadn't worked with a gym chain before not with the gym industry.	challenge in managing the costs for the concept
2.1	64	"But yeah London was like we begin to because it was very easy to get into the environment and you can go in to look and see okay how they solved it here. This is a very special location but they managed to do this and that." There is a gym called Gymbox and one of their features is that they are in a basement of an old bank. And you have zero windows. So how do you solve that and not feeling to clustered or like trapped. And they worked a lot with lights and it was really good for I think partner x to see that and they came back.	challenge in managing the costs for the concept
2.1	65	And they called the thoughts they had like we had tons of meetings with them. We were going through like this is what we like from London this is what they like from London there is the conclusions that they draw from the trip.	Inspiration trip laid groundwork for collaboration with partner
2.1	66	I think those trips with partners actually are very very good because it is one thing to have the picture. But you can't have the experience without being in the location. Like okay what am I feeling when I am in a room. And I think people miss that a bit some people think taking a virtual tour or look at pictures. But like I say it's like when you listen to music and you can hear the same song but the experience is totally different. So ya.	Inspiration trip was good to really experience the possibilities
2.1	67	Uhm, the crucial part (silence). It's hard to say. I didn't feel like we came to a point like yes this is where it gets really difficult. Because from the beginning they were quite good actually when you looked at the moodboards and things like that. They were pretty spot on from the beginning. They weren't way off. Then we had a lot of corrections like back and forth. They felt the same the beginning like the artwork as well. It has to fit for 18 year olds to 90 year olds. Everyone should feel like, everyone feels okay. the owner likes to compare to Ikea, and that's the thing we have in marketing as well. We can't be too extreme in either way.	Partner was well aligned with company direction
2.1	68	Like I said we are an ice cream vanilla. Everybody likes vanilla. We cannot be Ben & Jerry's because then you know we segmentate the groups so much that, and uh	Strategy of company is that experience should fit everyone
2.1	69	That would attract both 18 and 90 years old. That was hard. But ye I think it was not a big problem. There were some challenges in the products for us with the costs as well. Like I said like building a really cool gym is no problem if you have no budget. But here you have to think about every little detail and how does this cost. Because otherwise we are not able to sell a membership for 229 then we need to have a higher product. So yeah.	Challenge in designing new concept that would fit everyone
2.1	70	Yeah uh like other changes. Uhm I think it comes to when it comes to the colours and the graphics, like if I go into detail I know partner x had the suggestion that we paint the all gym grey and we paint squares. Like blue, red, and you had the name. Uhm uhm, we actually decided to change that or I had a say in changing that to paint the whole wall.	Collaboration and discussion with partner was important to get to end concept
2.1	71	We realized that it was too much work especially if you wanna renovate all gyms. Then we had such a huge cost when it came to the floor. The with the puzzle floor we can just lay it straight over the wooden floor. Like that it wouldn't be any problem. So that's something we changed.	Components of concept were changed because they were easier
2.1	72	Also a big challenge was the material. We have like the plywood burke, on the walls. And that wood is not able to find looking similar in different countries. Like in Asian country x it is a different look on the wood. And also like things like the puzzle floor it is not exactly the same grey as we have in Europe because it is hard. One actually really big change was that they designed the gym with the material of valkromat. It looks like MDF in greyish colours greyish colour we have in village x. But when we started to build with that it was a bit too (mumbling) like we didn't find it in the other countries and it was really expensive. And finish and look was not worth the money. When we finished it like people said like it was not completed. Because it was like big boards that you would just put up.	Material didn't fit the wanted outcome of experience
2.1	73	"Och, I am not sure actually of course we listen to the members and I think we listened a lot to the SR's, that works at the gyms. "	Collaboration with FLE to get insights

Inter-view	Nr	Quote	1st order concept
2.1	74	Big change though from the owner or a big concern from the owner were the lockers. We came from pad locks to the automatic locks with your membership cards. And he was like yeah always a big fan of pad locks because if you mess up you just bolt up the lock. So now okay here you have the technical part and if that doesn't work the members cannot get into their lockers so that's something. But I think that we had a lot of good feedback that members are very happy that they don't need pad locks anymore. And things like that so yeah actually that was good.	Discussion with owner led to change in one part of design
2.1	75	Yeah that actually was a big part. That it needs to work in all countries.	Important that the customer experience was the same in all countries
2.1	76	And also one thing that we added to the concept is something that we call grooming stations. Because a lot of especially in the womens gym they needed a special place where they can stand and fix themselves. We didn't have that because we have quite small change rooms. That's something that a lot of people asked for that, like I need a big mirror to put make up and not have to go into the toilet and things like that.	Concept was changed after re-assessing customer needs
2.1	76	And also in Asian country x we realized people weren't using the locker rooms, like people in here we do we have no problem. Guys have zero problem with switching in front of eachother. There people went into the bathroom and change, in Asian country x not in the locker room, change and put there stuff in the locker room. They didn't want to stand and change, that's also like a cultural thing we had no idea about. Like uh and also like they shower at the gym or not and things like that like, yeah.	Concept was changed after re-assessing customer needs
2.1	77	Its fun to learn like every country has its own special things like you have to adapt as well as you can. Some places have huge locker rooms and some places you only need lockers, it is uh very different.	Introducing concept allowed the company to learn about country specific customer needs
2.1	77	Yeah uh no I think it's a huge part actually because uh it goes for everything for the marketing as well. What we do in Europe might not work in Asian country x or South American country x you have you have to be on your toes you have to listen to the market and say like if we do it like this in Sweden we have to change it in Asian country x because otherwise people wont train, we cant come in and set the rules. We can set some rules, but not all of the rules. So that's something we changed like the locker rooms and the showers as well into like what, what the people want. Like I think in Sweden we don't have a glass door on them, we shower in like, we are very like uh, like since youre little, you changed together. But there I think in South American country x we have glass doors so they can really close the door behind them, because that's a big thing.	Introducing concept allowed the company to learn about country specific customer needs
2.1	78	I think the most essential is actually getting the look at the gym. Like implementing it is one thing. But It was really hard, a lot of lot of hard work and a lot of hours went in when we draw the sketches like this or like that. And then we had a big issue with how the lockers and the bathrooms should like because we like the sketches that we got weren't homegrown from the beginning. So we went on with that. So that I think according to me was the biggest part.	Getting an idea how the concept would look like in real was essential
2.1	79	But you have to get the right look and feel, and its so important	Essential to get the experience with the concept that was intended
2.1	80	Yeah its also important with teamwork sometimes in this project. Some people pay way too much attention to details that shouldn't bring so much attention. Uh that was quite hard	Cross-departmental collaboration was challenging at times
2.1	80	the owner had his saying and sometimes we had to go back and forth to just say and the more people you have in the harder it is. I had a big say in the Design part and it is really hard when you have five other people saying oh I don't like this because of that like a very small detail like you have to focus on the big picture.	Cross-departmental collaboration was challenging at times
2.1	80	Like when it comes to operations, how we operate gyms. I am not the expert there, so I shouldn't have too many opinions there and trust the people that are doing it there. That's hard in a project like everybody wants to have their say.	Cross-departmental collaboration was challenging at times
2.1	80	Like when they send uh, say like I had the design part well like I said. A lot of people have questions on it and you know this is really good but they say like yeah I don't like this because I never liked red. Yeah but you cant go into too much what your preferences is since youre not the one that should be commenting on. Like it was hard when you are supposed to get feedback in and you have 10 people writing feedback. And summing that up to design agency was not easy but colleague x did a really really good job.	Cross-departmental collaboration was challenging at times
2.1	80	And its like that in a project I had a saying what it was like in a group training. And now it is more like I am (indistinctive). But I had an opinion. And then its up to the whole group oh do we listen to john doe's opinion or not.	Cross-departmental collaboration was challenging at times
2.1	81	Exactly, exactly but like everybody contributed like its like yeah I was in charge of the design but like if some if 5 people say this doesn't look good then of course we would listen to them and not say like no you don't have a say in this. But its hard	Every department had a saying in their own expertise within the project group
2.1	82	Finances is not really like that because it is really white and black and more like this works and this doesn't there is not so much of a grey zone. So yeah	Design and experience can be difficult to grasp as it is different for everyone
2.3	83	''So uh, my responsibility within fitness was that I was the sales and marketing manager so I was responsible for both sides. And uh, in this typical was also for the marketing perspective.''	Role interviewee
2.3	84	''Well the main objective was actually to build, to stage the brand to a global brand. So that was the long-term vision and the idea that we had to make it a global brand.''	Globalization main objective
2.3	85	''Because the further we want to grow, uh, ten times the staff. And if you want to grow with that team, the owners vision was to keep the brand intact.''	for further growt, brand needs to be intact
2.3	86	''So that was one of the major tasks that we wanted to achieve. To fit you know all the sites in the world with all religions and all the prospects there.''	Global branding strategy
2.3	87	''So that was the starting point and that was sort of uh the challenge and then we also said that uh, we know that the competition is catching up, and uh we have four unique selling points.''	Competitive pressure
2.3	88	''But then we had sort of to ensure that we keep a foothold with that space in the market that we have we wanted to really make sure that we owned that space. And how do we do that.''	Market strategy
2.3	89	''So what was the main challenges from our perspective and from their perspective.''	Internal challenge management

Inter-view	Nr	Quote	1st order concept
2.3	90	“The first intention was that we had no intention to increase the staff.”	Intention to not increase staff
2.3	91	“So one challenge then of course was to, well how do we navigate the gym. Without the staff. It should be easy to navigate when you enter a gym with the new concept. So for instance, every, you guys also go to the gym?”	Navigation was main importance
2.3	92	“Well okay that’s for you and eh maybe someone else maybe needs to get to the changing area to change clothes. So uh we also have different perspectives on what should we look at when entering gyms. So then we said it should be very easy to navigate through our gyms. Because that was one of our objectives, so yeah it should be like a no-brainer.”	Good navigation was objective
2.3	94	“So therefore we needed some inspiration. Because some of the gyms were very boring, like only white walls and so on.”	Inspiration was needed to increase brand
2.3	95	“And also we needed to keep it clean because that’s also one of the major major (indistinctive) some gyms had bad rating. So we need to ensure that it feels nice and clean and that people actually you know put back the weights or put back whatever. Because you know its so easy when its nice and clean and sort of..”	Hygiene required much attention
2.3	96	“We have macro mat floors so also when they put back the weights we make it very easy for the members to actually put back the weights. At least we try and keep it nice and clean.”	User friendliness was attention point
2.3	97	“The ideation phase was very important well especially for the owner because he wanted us really to try and think creatively and of course it is a challenge when you are classified like,”	Ideation phase was important for owner
2.3	98	“well I tried to change the name from a budget to a affordable gym. Because I didn’t like from a marketing perspective I didn’t like the word budget.”	Language was important in branding
2.3	99	“So I changed it to affordable gyms and then to also the cool gym. Because that was the first phase that we required.”	Change in languages
2.3	100	“So we went to (indistinctive) we went to London, to get an idea of what do the cool gyms look like. So uh that was very important that we did that trip. Because there were some very good ideas that we could see or copycat, like the navigation, or maybe the lights. “	Ideation field trip to London
2.3	101	“Oh yeah lights was the fourth one, now I remember, yeah (laughs).”	Lights
2.3	102	“Yeah, so we uh first of all we had an agency, a design agency that was joining us and we had uh, we had uhh, uh, how do I say, you know the suppliers, so the gym equipment. So they also took care of making sure of uh because they can, of course they don’t only have Company x but also small gyms, Company x gyms, and other gym chains.	Collaborating with suppliers provided expert knowledge
2.3	103		Partner was guide for tour
2.3	104	“We had gyms that had a high altitude air, we had gyms that had a cross-over from a floor to play / a night club. So that was one gym that had uh very very different uh look and feel than you would ever see in at least in our country. It was quite cool to see that and then you had other gyms that uh were a night club but actually didn’t have a lot of uh, well at least in that area were drinking less. So they changed the night club to a gym. But you had all these cross-overs so it was quite interesting to see how you could play around with for example lighting, music, navigation, colours, there was a lot of things that you could actually inspire for that we can feel the new identity that we were trying to create.”	Cross-over gyms provided inspiration
2.3	105	“Because that was really twhat was the ultimate goal was, to find a new brand for our brand. So that was a very important phase that we all had those ideas and from that we had a summary meeting of course and these are the key highlights that the agency picked up. And we had to agree on that to make sure that did they miss anything or was there anything that we wanted to add or take off or uh”	Ultimate goal was to create new brand
2.3	106	“So that was one phase of the project that we started. After that summary we then decided that okay these are sort of the directions that we want but then we had different modules. “	Project was divided in modules
2.3	107	“So we had (indistinctive) language also as an important area. That needs to be added because we say that if we are going to be a global brand, how can we communicate our members without saying you know in all languages welcome in Swedish, polish, in Norwegian, in Spanish, in thai. The language was important really really also a challenge when, and that’s where we got the pictogram idea of that.”	Language was important for improving brand
2.3	108	“So uh after that the agency went back to work and they put us up with sort of an overall uh meeting where they had brought a uh workshop where they brought material with them. This is uh you know we are working with one phase which were colours, these were kind of like the colours that we are working with on the material. This is the look and feel that they want to convey in terms of I mean this colour on that floor what would that look likeb eause with the cleaning look, we don’t want it to be uh, if you look at the floors of all gyms. They sort of have one colour but they are sort of kind of very spotted, because you sort of want to hide the dirt. So that’s what was important in that phase as well like it looks clean but it really isn’t.”	Partners were facilitating material workshops
2.3	109	“And uh, so we went through all the different dimensions of the gyms, so we were talking about font, we were talking about navigation, we were talking about language etc. But we had all these different buildings so how do we put it together.”	Putting together ideas was challenge
2.3	110	“So we divided it up in building blocks. Okay so this is what lights could look like this is what colours could look like what navigation could look like. This area were thinking uh languages etc. So then the building blocks.”	Division of objectives provided structure
2.3	111	“So then in the next phase we had to come up with a more concrete proposal and we had one. We had a preview; we call them plus site gyms. “	Concept was tested in one type of gym

Inter-view	Nr	Quote	1st order concept
2.3	112	“With the group training and then we had another one without group training, so we had all kinds of different challenges because they all look different because of the establishment. Because one building is constructed different then another so how would we deal with that.”	Different establishments were challenging for standardizing concept
2.3	113	“Oh yeah so now I remember so another challenge was how to keep it clean. How do we make sure that we communicate with the members in a nice way. Because when I was working when I started working there we had a lot of, don’t put, take the shoes off, put you weights back, don’t be too loud or and stuff like that.”	Communicating friendly with members without staff was challenge
2.3	114	“And it was a very negative way of communicating with members so we said we need to sort of turn that around and actually communicate to our members in a more appropriate way so they feel more welcome and inspired and not finger pointed.”	Communication used to be quite negative
2.3	115	“So one thing we talked off is that please put them back. Or a big hello to our all members. And so we tried to you know turn around the communication in a positive way and that.”	Communication needed to be transformed
2.3	116	“I uh, im not sure how that uh were defined after that or what direction was that. But we did uh some focus groups so we checked it actually and it tested very positively.”	New concept was tested with customers
2.3	117	“Uh but ill get to that. So that was that phase and then uh one they got sort of the uh, the guidelines from us of course I was there all the time and of course to make sure that we had a go from the owner as well.”	Concept provided input for owner
2.3	118	“Because we did not want to go through uh some good ideas that we thought were good and that he didn’t approve of. So it was very important to get a buyin straight away from him.”	Owner was decision maker
2.3	119	“And then in uh, before we go into the next phase we had a project group and we had different sort of roles in the project group. So I was the project owner.”	Implementation phase
2.3	120	“So we had I.1 that was more for sort of the design thinking, thinking about the design. We had one that was the operations manager, she was sort of thinking of all the practical things. Would it work in a practical gym. We had IT there just to make sure that we uh, we did not have a lot of digital solutions but at least to ensure to have it digitally prepared. We had construction there of course to make sure that we didn’t come up with fluffy ideas that cost a lot of man power to build.”	Team had specialized capabilities
2.3	121	“And uh, (indistinctive) so we tried to cover all the different dimensions of the group to make sure that all the ideas are put forward.”	Group consensus was important in process
2.3	122	“Anyone sort of should say yes to them to make sure that uh, it was for example a nice design idea that I.1 like but then practically it would not be feasible.”	Feasibility was important
2.3	123	“Uh so that was the group, and then after to go back to the phase where we had the workshop. The next phase was to come up with uh, three different types of gyms. In different size.”	Concept for the three type of locations was in development
2.3	124	“One very small, one medium and one large. And see how expandable these ideas are.”	Concepts needed to be expandable
2.3	125	“How does it look in a plus site and how does it look in a small gym. So we needed the all the ideas that we had, we needed them to sort of make them big but also to be able to make them small.”	Adaptive capacity of concept was important
2.3	126	And uh, of course we had some setbacks there because some solutions were not practically really implementable and so like that we were going back and forth.	Setbacks required iteration
2.3	127	“And uh and then after that, uh if I remember correctly, there was more a detailed... this was more sort of when we got the description you know... uh description going in detail .. so the walls are this color and you paint that wall.. ver very detailed description of how we will actually apply this.”	Concept description provided details for implementation
2.3	128	“If you want to have a completely new gym, and you are going to refurbish it, you need to ensure that the we would have the right instructions for it.”	Instructions were important for implementation
2.3	129		Departments required specific instructions
2.3	130	“That is when we had to go through a lot you know planning, because of course there are so many different stakeholders involved in this project, procurement for instance, they were also part of the project, they also had to have.. so everyone had to give their own input.”	Planning required differences
2.3	130	“From the different areas here, in terms of materials, in terms of design, in terms who does what and when you inform the different stakeholders when you are ready so that was also one part there uh because uhh from procurement instance it took them 3 months for equipment for the gym.”	Planning required differences
2.3	131	But it takes like 2 months to prepare a gym, so there are different things that we have to take into account in terms of uh the construction	Preparing gym took a lot of time
2.3	132	“But that took quite a while and that wen back and forth and we had uh and then after that we said we would start we started a different project, an add-on project because we said you know”	Iteration in project was required in the launching phase
2.3	133	“if you want to stand out in the crowd if you want to have lets see, word of mouth instead of pushing out the information, we wanted to start something new something fresh, something different.”	Marketing required attention in launching phase
2.3	134	“Yeah and what we wanted there was more that members would talk amongst themselves and also when you take photos or when you take selfies, you wanted the background and look like you know ahh that’s a Company x gym, it isn’t like any other gym.”	Brand image needed to be differentiating
2.3	135	“And also to make sure that these concept x’s have a cool factor. That was also very important.”	Cool factor was important
2.3	136	“So eehh we then went back a few steps back into the project because we wanted to add an concept x idea to the table.”	New concept required iteration in project
2.3	137	“So then we went back to the drawing board again. At this stage we had sort of the brand identity there, we had the colors we had the patterns we had the design, but then we said how do we add concept x to this.”	Iteration entailed new designs
2.3	138	“Because what we anticipated, is that in the future instead of an concept x it could be something else. I don’t know, maybe yeah something is going to be extremely popular in five years time, then we need to make sure that we can add these things to the offer that we have. So yeah it was not going to be a huge mountain, that we needed to change the whole brand identity because we wanted to add something to the concept.”	Concept needed to be adjustable to external factors

Inter-view	Nr	Quote	1st order concept
2.3	139	So concept x was added, and uh we had uh also then we went through some extra material that we wanted to add, some extra patterns that we wanted to add. And some extra lightning. We wanted to make it feel the same, but also a bit changed.	Material choice was iterative process
2.3	140	“And then we also added the obstacle course, which was ehh also important to us to make sure that there was something very different so that we could stand out from the competition.”	New concept factor was made up to differentiate from competition
2.3	141	“And so... then we refurbished one gym in Stockholm and we opened up a completely new gym in place x, which was the first concept x.”	Two locations used for concept testing with customer
2.3	142	“We had a VIP opening before for all our members. We brought in the press. And we had some events there and some food.”	New marketing strategy tested in concept test
2.3	143	“And uhh so with that setting it was for the members to feel the VIP feeling a few days before. New members could purchase the membership.”	Customer engagement through providing first access to new concept
2.3	144	“So that was the new way when we opened up in new gyms, we always had a VIP opening for members. Because for us retention was also one of the big challenges that we had to actually keep our members happy”	Retention was strategy behind engagement
2.3	145	“So they could stay longer. So that was on of the findings, what if we could give them a VIP moment, and also they get ot train in all these cool new gyms uhh. Yeah that’s how we decided to have the opening in the future. I see now on Instagram that its still in check, so that’s good.”	Concept is still in use
2.3	146	“I think it was... the biggest challenge was .. one challenge was the material that we chose because from a design perspective you had one look and from a cost perspective you had another one.. there was a challenge there to make sure that you understood that ..”	Different views on the materials that were needed
2.3	147	“yes cost is important but if we don’t get the inspiration, if we don’t get the look and feel that we want, then we are not going to stand out either.”	Experience for customer is important
2.3	148	“So of course there were some challenges there. I.1 actually took a great lead in material, he was actually googling and finding other suppliers, challenging the agency to make sure that we actually would get the right material.”	A specialist took on other tasks as well
2.3	149	“To find out what was the most expensive one and if there was a cheaper one that had a different description but it looks the same. And he did a great job there in finding actually similar material that looks the same but that was half the price. So which is good because from a design perspective you wouldn’t expect that so he did a great job there”	Design focused on procurement as well
2.3	150	“I think communication to make sure all stakeholders. Because I was everywhere and had to make sure that right information and the right understanding as well in the project team but also the agency and the different suppliers we had contact with was reached.”	Communication with stakeholders was key in project
2.3	151	“Communication was important.. I am also driving a new project with the new company I am working for and there ... when I think back there things that could have been done better, for example to have a common share point, also for partners. or something like that. Because we had a share point internally and I had to copy that and send them, it wasn’t really optimal!”	Digital communication could have been better
2.3	152	“There was some practicalities that you know you could be more efficient with in the future. Which would be good. But if you ask me the biggest challenge was communication making sure that timings were, everyone had the same understanding, everyone was able to give feedback. “	Gathering feedback was important
2.3	153	“And also in terms of understanding the feedback and not interpreting it differently. You know there is so many people and so many dimensions so that was challenging. Also the speed of the project, it was quite fast. “	Creating a common understanding was important due to speed of project
2.3	154	“The reason why it was going so fast is because we wanted to open the gyms in South American country x and Asian country x. So doing the project in Sweden, trying to mix the brand with a global brand and then launching it in Asian country x and South American country x. That was a challenge.”	Global strategy impacted project speed

Inter-view	Nr	Quote	1st order concept
3.1	1	So, it is kind of new, it is been more than a half a year.	Novelty project
3.1	2	so I start doing when I was the concept manager for the personal training	Past role interviewee as concept manager PT
3.1	3	But it wasn't until last fall that we actually start to really work with it and implement it. It is kind of new	Novelty of project
3.1	4	actually, we did, because colleague x had been in contact with them already before.	Early contact with project partner of other project member
3.1	5	So, we did a first pilot at the customer company, the company. we did that... that was one of the first thing we did when I first started... when we started as a team. So, we did a pilot, they were already in the pipe and they wanted to something. And we had done some things with them before. Ehhh without	Pilot new offering with existing customer
3.1	5	No with customer company... without actually making it a package, we just had helped with something before my time... and then they were interested in doing something and we were like we have this service, where we want to package and we made a pilot with them	Pilot new offering with existing customer
3.1	6	and yeah they were positive.	Positive reaction on pilot of new offering
3.1	7	So yeah that was actually already set up when I came. Or the deal that we should do, so me and colleague x, we created content.	Role interviewee and fellow project member as content makers
3.1	8	there was some sort of, yeah, it wasn't a big one, but we had already a relationship with them.	Limited collaboration with partner before project
3.1	9	straight away yeah, because they had already started with colleague x,	Early involvement of partner in the project
3.1	10	but was more in how we could in business wise, how we could cooperate. But so, what happened, already when I was at the PT department, I started to do some work with them, because they wanted my opinion on the service in training, and how you could build programs and that type of stuff. I had already started to be a small part of it before I came. So yes, so that was my ... so before we had they had kinda like agreed on the business wise... and they wanted my opinion.	Past collaboration with partner more focused on the business in general
3.1	11	So, I started straight away working with them in terms of how we can use it as a training service.	Early involvement of partner to use their service for the offering
3.1	12	as of right now yeah...	Partner only related to the B2B offering
3.1	13	Partner x obviously of course wants it... and maybe we do as well want it to be like bigger and could be a part of our members in general.	Potential collaboration with project partner in entire business
3.1	14		Partner related to the B2B offering
3.1	15	ehhh we haven't started before since... since we didn't have a concept for working with businesses. so, it was more like we offer cheap or deal on memberships. And then every now and then they come ... and we did some group training and stuff like that. And when we had like the group training sessions and stuff usually that was PT's doing them.	Past B2B offering with discounts and group training
3.1	16	Because it was during office hours when a lot of our, like indoor cycling instructors and stuff they are doing it part-time or just in their spare time. So, it was usually personal trainers. Which means we had already in those situations we have had cooperation before. So, we worked with each other before when it comes to that kind of thing, but it wasn't that much. So, we already had that relationship.	Early request of customers for content that is currently offered
3.1	17		Early initiation for the current offering without conceptualizing
3.1	18	now it is, because now we have a team working with this, and that, so that was specific my task.	Formalization of offering by building team around it
3.1	19	So when... that was the question I actually got. So, I changed my position here, from being the concept manager of PT to actually start... if I wanted to come and work with the development of what we are doing now with the health care of businesses.	Interviewee changed role to work on development business offering
3.1	20		Description of different team roles around the offering.
3.1	21	I think first times when I had a look at it, it was, as you would say it was promising, but it was missing a lot of I think the features that ... or it was mainly the way how we could create programs and stuff like that. Or that I wanted to for us to be able to use some features that weren't there.	Partner did not seem perfect fit from start
3.1	22	And I think, because then we had meetings to talk about this, and what was the deal maker. Was that they were very flexible, and they were very willing to develop it with us. They are based here locally which means we can work close with them	Flexibility and availability of partner important for project
3.1	23	Because ... to me I have been looking at so many software's for this kind of us ... and there is ... I ... until today I still haven't found anyone that is exactly the way we want to do it, but I think there is none of them that are fully developed. there are a lot of things.	Extensive collaboration with partner
3.1	24	And even though I still see that a lot of things that we would want to change, I think that was one of the dealmaker for us to see that they are actually willing to grow together with us, and they see us a major player to help them develop as well. So that was for me very important.	Co-development with partner was important for project
3.1	24	And that is with Partner x as well, but then we liked to choose one where we can actually... where we are both in relation both physically but definitely in relation... and also where I can see that they are actually developing according or along with us, which is	Co-development with partner was important for project
3.1	25	a lot of positive... I mean we have been able to ... quite fast ... been able to start to deliver the product... For our clients. I mean as of ... I mean ... just last two weeks we have started with two quite big companies... its 2-300 members. The progress we are running with them. And we have been able to set them up quite easily and quite fast. That's been positive, that we have been able to launch that quick.	Easy and fast roll out of the project
3.1	26	Still I see that there is a lot of things that I would need ... or I would want to change that we need to develop. For us to being able to do it exactly as we want to do it	Interviewee recognizes that changes to the offering are still needed
3.1	27	But, so far, I mean, just like we have been able to launch something this quick like that actually works, even though ... I would say most of the things ... some of the things affect our clients as well but I think a lot of it is a lot... how we want to work from the backend ... how we want to	Fast roll out of offering that works was positive
3.1	28	... once again Partner x to me is, they are willing to make changes in the app.	Partner flexible to make changes
3.1	29	and I would love for us to have some things... being able to do it on our own.	Future desire to make own changes in software
3.1	30	But they are very willing to do that, so I am happy with it...	Flexibility of partner important

Inter-view	Nr	Quote	1st order concept
3.1	31	there is still some things that I want to change, but most things on our side, but there is definitely... especially I think the user experience and the interface I think on the client side, that's for us maybe more things how we can create things in a system.	Desire to improve parts of customer experience regarding the offering
3.1	32		The offering is completed
3.1	33	On the client side there is still some things to work on when it comes to ... because it's still ... the interface is still to cluttery so I am still not... it isn't... it needs to be much easier and to find the way and stuff like that, there is still things to work on, but the product is pretty much up as we want.	Desire to improve parts of customer experience regarding the offering
3.1	34	I think it's both, because the clients will give me the feedback more than Partner x, even though we should tell them that they can go straight to Partner x with that as well ... but usually they go through us. So, I do get it. We take it then wit Partner x.	Client feedback goes through the company to partner
3.1	35	yeah it is.... ehmmm no but I think to me it is like... I mean... I do understand of course if we are not building a system around, we have to adapt to some other things ... how the software work and how the app works.	Important to collaborate with partner for their expertise
3.1	36	But its still It has been crucial to me since ... even though we are doing things quite small right now... but then again, we do have big potential. I mean it was really important for me to find a solution where they can grow together with us. That was crucial thing for me. And I think... I see ... I can see that we have that ... that makes me thing that that's why I am positive with the future but still we have a lot of things to work with.	Partner has the ability to grow along with the offering
3.1	37	But I don't know, that was the most crucial thing for me. To see that this is a ... that Partner x is a company understands and listens to our needs. And are willing to work according to them and along with us.	It was crucial that partner understood the needs
3.1	38	And that's perfectly fine, but it doesn't work for us, we need to be able to customize a lot.	The project needed a partner that was open to customization
3.1	39	And Partner x sees that and understand that and they don't have by saying no it has to be our way... and that was very important to me as well, actually that they don't have any pride in their way of doing it, so when I say well I see how you thinking, so now we are talking about how you put together a training program for 500 people or something, and how that should be done on the backed. And because a lot of systems think this the way it should be built and what I see with Partner x is that they don't have pride with that. Like hey we are here... this is how we work... this how we thought it out. But if you want to be able to build a program like this, then let's create that.	Flexibility of partner important
3.1	40	and then they are ... they have other clients as well. Eh hh all of them are smaller than us, but right now we are not doing super much, but potentially we absolutely the biggest client they have.	Partner has the ability to grow along with the offering
3.1	41	But they are very openminded for that as well so that's important.	Flexibility of partner important
3.1	42	So, it was to conceptualise the pt. organization. straight away from the first weeks me and Ceo starting to have talks about, how we could bigger companies.	Early discussion on how new B2B offering should look like
3.1	42		Former proceedings of interviewee in own company with businesses
3.1	43	actually I had some big clients that wanted to follow me here, but we were like we can't help you. So, I was to magus, we can't have it like this, I mean I was able to do it on my own with a group of trainers.	Dissatisfaction on the inability to offer Businesses additional services
3.1	44	I did it with my small company, and we can't help these companies here... And he was like yeah, we have been thinking about it for years, but he said we don't have the organization. we have been fully focussed on this, so it makes sense, we have been fully focussed on our members and we haven't been thinking about companies. Already then... so I remember we had a meeting me and Ceo and a big client.	Dissatisfaction on the inability to offer Businesses additional services
3.1	45	When they left, I was looking at Ceo And he says I know you want to do this, but we can't do it. And I was like we can't have it like this. But he said it because we wouldn't be able to deliver. And I agreed on that. And we are getting ... if we would get involved with businesses, we would have to be able to deliver. But we didn't have the organization. so already by then,	Early thoughts about extending the B2B offerings
3.1	46	3 years ago, we were already seeing like we can't have it like this. I mean me and Ceo but also with other people, we have to come to the point that we can deliver to the companies. So, it has been like in our minds, and for Ceo and the owner it has been even longer. But for me it was already like my second week or something we started talking about it, I think ...	Dissatisfaction on the inability to offer Businesses additional services
3.1	47	We are like nothing, or we can do like group training, but that's pretty much it. It's like any other company in any other industry would kill to have like companies of 300 people, calling you to ask what you have to offer. Out of that came a frustration, we said we have to able to do it.	From the dissatisfaction the idea started to conceptualize an offering
3.1	48	We had been talking for three years but things were just started to come together, and we said now we are ready. When Ceo came and asked me... do you want to do this... I mean... I... we are ready for it. So, I just think its timing sometimes.	Right timing to conceptualize the offering

Inter-view	Nr	Quote	1st order concept
3.1	49	there is... we are practically... basically losing hundreds of thousands every week because we have all these businesses in our network, or they actually have... they have... we have contracts with them on them... but only deals for their employees. Potentially and they call us... we could do some much more... we haven't been able to deliver it in a way. So we are actually losing profit... weekly on this... there is still a lot to do. We are just... still only in the beginning.	Much potential to scale current offering
3.1	49	yeah it is ... it is... I think we have a huge potential. That is what the management thinks as well. I know for the coming years	Much potential to scale current offering
3.2	48	Well I am colleague x and I am working as a Sales advisor in focal firm. I started as uh a sales coordinator or like for booking meetings for the sales of Fitness.	Former role interviewee as sales coordinator
3.2	49	But then I went to sales coordinator and now I came back and more working with the strategic decisions and strategic development a bit more	Current role interviewee, more focused on strategic development
3.2	50	Well the aim of the project was to uh, we saw a trend in the online training and, uh, uh like we were also doing a digital journey. Like, developing an app and a little from the website and uh.	Aim of project was to digitalize the B2B offering more
3.2	51	So we saw a big journey there and uh colleague z actually connected me and Partner x. So as a business developer more, so he connected us and	Interviewee got connected to the current partner
3.2	52	like what we can do and what project we can do because we were interested and	Discussing potential collaboration with current partner in starting phase
3.2	53	sort of found a good match to us having the physical arena and then having the digital, so. We were trying to solve what to do together.	Partner is a good match because of complements
3.2	54	So that's how we started talking and having meetings, just twisting and turning and uh. It happened right (laughs).	Initial meetings with partners, discussing possibilities
3.2	55		The offering was developed in line with digital strategy
3.2	56	Because maybe in the future we would like you know with the API's, so we could match the two apps. So our members would not need to download two apps but just one and.	Potential future incorporation of app
3.2	58	So they supported each other and we grown together.	Interviewee recognizes mutual growth with partner
3.2	59	Uhm. (silence) To see the benefit and the possibilities for uh both uh companies to grow.	Importance in joint growth with the partner
3.2	60	Together and have a win win solution and to keep the initiation from both parties. And identifying common possibilities and choice. Like what to do I mean there are a lot of stuff we could do but to actually identify our common goal. And our common possibilities like.	Important to be aligned with partner company
3.2	61	Of course there are interests for focal firm or Partner x separately but really we needed to find what do we want to do and what is the benefit of this collaboration. Where we could actually, and profitability.	Important to find benefit for both companies within the collaboration
3.2	62	The next step was actually to try it out, to validate. The product was something that was useful for them. And actually the validation was important in step one and testing it out in the marketing and sales department.	Importance of testing and validating the new offering
3.2	63	So doing a challenge, trying, and trying the functionality of the product.	Testing and validating the new offering
3.2	64	Yes before, a small test on the department.	testing and validating the new offering
3.2	65	And then we continued the dialogue and uh discussed uhm, like the scalability, how we would price it and uh, well how uh, which possibilities were there and.	Discussion with the partner about scalability and pricing
3.2	66	And a lot of creating, building the product. That was focal firm unique.	Creating the product together with the partner that would fit the company
3.2	67	And how our proposal for corporate sales, how it could fit in there and how we could actually package it together with the other products. To actually get the benefit of the physical and the digital.	Decision on how the new offering would fit within current B2B structure
3.2	68		Aim with offering was to attract more people
3.2	69	So the challenge actually was aimed at attracting more people to train at focal firm. And not the other way around.	Aim with offering was to attract more people
3.2	70	So ya that was another type. And how we separate from Partner xs products.	Difference between the company and the partner
3.2	71	Yes actually we build in five weeks of training during the challenge. And that's one way to uh traffic them to our gyms. I mean we want them to fulfil the challenge to actually train at our facilities. And try them out. And hopefully the ones that are not members, that's what we aimed at.	Aim with offering was to attract more people
3.2	72	Uhm, I think by having a really really close dialogue and workshops with Partner x.	Close dialogue with partner was essential
3.2	73	Yes and support each other in that.	Important to support each other in the growth
3.2	74	We ordered the marketing materials, for the product. And everything	Departmental collaboration with marketing for new offering
3.2	75	Yes internal validation. But we also had the external validation. With a company called Hillti which is our partner and we did the challenge. And basically that was the first one with the customer. And they were validating it from the real corporate point of view.	Pilot with existing customer for the new offering

Inter-view	Nr	Quote	1st order concept
3.2	76	So that was a good customer to actually try it out.	Pilot company was a good fit to try offering out
3.2	77	They rated it really high so what they were doing in the end, they were very satisfied.	Pilot company was happy with the offering
3.2	78	They were one of the cases that were successful as well. So now we use their reference as well. So that was a good first try out.	Pilot company is used as success case to market the offering
3.2	79	Now we have actually launched the project or actually the product. With Partner x like, Itsyourmove. That has the Company x corporation challenge. We began with it beginning of this year. So since that it has been an official product like available on the web and everywhere. And now we have a big event, a corporate event, in Malmö, 16 of May, where we are going to present it as a package as well. So	The offering is officially launched and will be promoted to companies
3.2	80	We are trying to get it out as much as possible.	The offering is been sold as much as possible
3.2	81	Because we see it as a good kick off solution, for the bigger health of corporation companies. They can kick off together with colleagues so they have a sustainable solution for their corporate health.	The offering is seen as a good solution for corporate health
3.2	82	He has a lot of experience in (sighs) technology, I mean Cristoffer has as well but he is not really supposed to do this so. colleague y has been working on the long term solution or strategy. So colleague y he has a lot of personal training and coaching experience. And also what needs concerning our personal training organization also needs a coworking tool for their clients.	Project partner was more concerned with the content and technology
3.2	83	So this could be, possible solution, possible partner as well. And now we are looking into different suppliers for that. And of course that was with us in the background as well. But uh colleague y has the perspective of the technique, uh, the solution, the technical solution. Technical aspects.	Partner could also offer solution for other part in the business
3.2	84	Yes and the coaching aspect. He is doing a lot of the coaching. Because the challenge, it's a challenge but it is also good to do small challenges along the road besides a big challenge so small ones in groups. You could tweak it in. Like twice a week or so with a coach there is a challenge coming from the coach that's what colleague y do those. And building training programmes in the app as well. That's colleague y.	Project partner was more concerned with the content and technology
3.2	85	I am continuing to actually have the dialogue with Partner x. They have the coding solution and they have solutions to make sure uh, the individual health, like, uh, to do uh, service. How that helps with a health solution. So.	Interviewee is constantly in contact with partner to discuss opportunities
3.2	86	And we are doing that within focal firm as well. But is part of their offering as well. So we are looking into how we could activate other parts of their full solution.	Interviewee is constantly in contact with partner to discuss opportunities
3.2	87	Yes its interesting. Its going to be a development uh, going on for some years I would say to just find the exact right setup and. Matching it with them.	Constant revising to find best alignment with partner
3.2	88	Uh. I think the uh, locality, that we are located close to each other as well that of course related. And of course they have an interest with growing with us. And potential to grow. I mean the right prerequisite to grow with us as well.	The availability and flexibility of the partner was very important
3.2	89	Uhm, they can. They are prepared to scale up their business and their solution and they surely will do so by connecting and building their network so yeah and growing and constantly developing they are always like. Taking part of new trends.	Partner's ambition to grow (together with the company) was important