STRATEGIZING AND THE SERVICE-DOMINANT LOGIC: A case of professionals in the environmental technology business

Abstract

In my dissertation I study how a starting firm, through strategizing, is constructing elements of the so called service-dominant logic identified in marketing literature. The second objective is to conceptualize strategizing as the co-creation of strategy, with future value creation as the main driver.

The core of SD logic argues that service, instead of goods, is the fundamental basis of exchange. Service is defined as “the application of specialized competences (knowledge and skills) through deeds, processes, and performances for the benefit of another entity or the entity itself”. Shifting towards the service-dominant logic implies moving away from firm-centric production and mass marketing to the co-creation of value through relationships. “Marketing to” becomes “marketing with”.

The construction of SD logic is studied from the post-processual perspective of strategy-as-practice, with an emphasis on strategy discourses in meetings. The case firm, developing organic waste processing, is run by approximately ten “part-time professionals” from different fields of expertise, such as cleantech and financing. The professionals are all in other full-time jobs and meet regularly in order to negotiate common directions. These meetings, observed since May 2007, form a substantial part of the firm’s current operations.

The preliminary findings show how the case firm’s strategizing is driven by shared strategy practices that guide the construction of the business logic. The practices guide and constrain the process and the content of strategizing, both of which have consequences for the business logic. In respect of the process of strategizing, the members of the firm draw upon practices that enable and encourage various forms of collaboration with other organizations and individuals. Many aspects of the strategy process are thus aligned with SD logic. However, the content of strategizing restraints the firm from aiming at value-in-use – a fundamental aspect of SD logic. The strategy discourses emphasize product development from a technological perspective, largely ignoring the role of customers in value creation.

The dissertation is among the first attempts to empirically investigate how SD logic is constructed in firms in practice. It aims to discover the shared strategy practices, and the mechanisms by which they operate, that inhibit or advance the adoption of SD logic. It also contributes to understanding strategizing as co-creation of strategy, with multiple practitioners in and outside the focal firm interacting in order to direct the future co-creation of value.