



Co-Creation and Bottom-Up Economy

Dr. Robert Freund M.A.

Agenda

- Things have changed...
- Co-Creation: New pathways to value
- Embeddedness of social interaction
- Bottom-up economy
- Conclusion

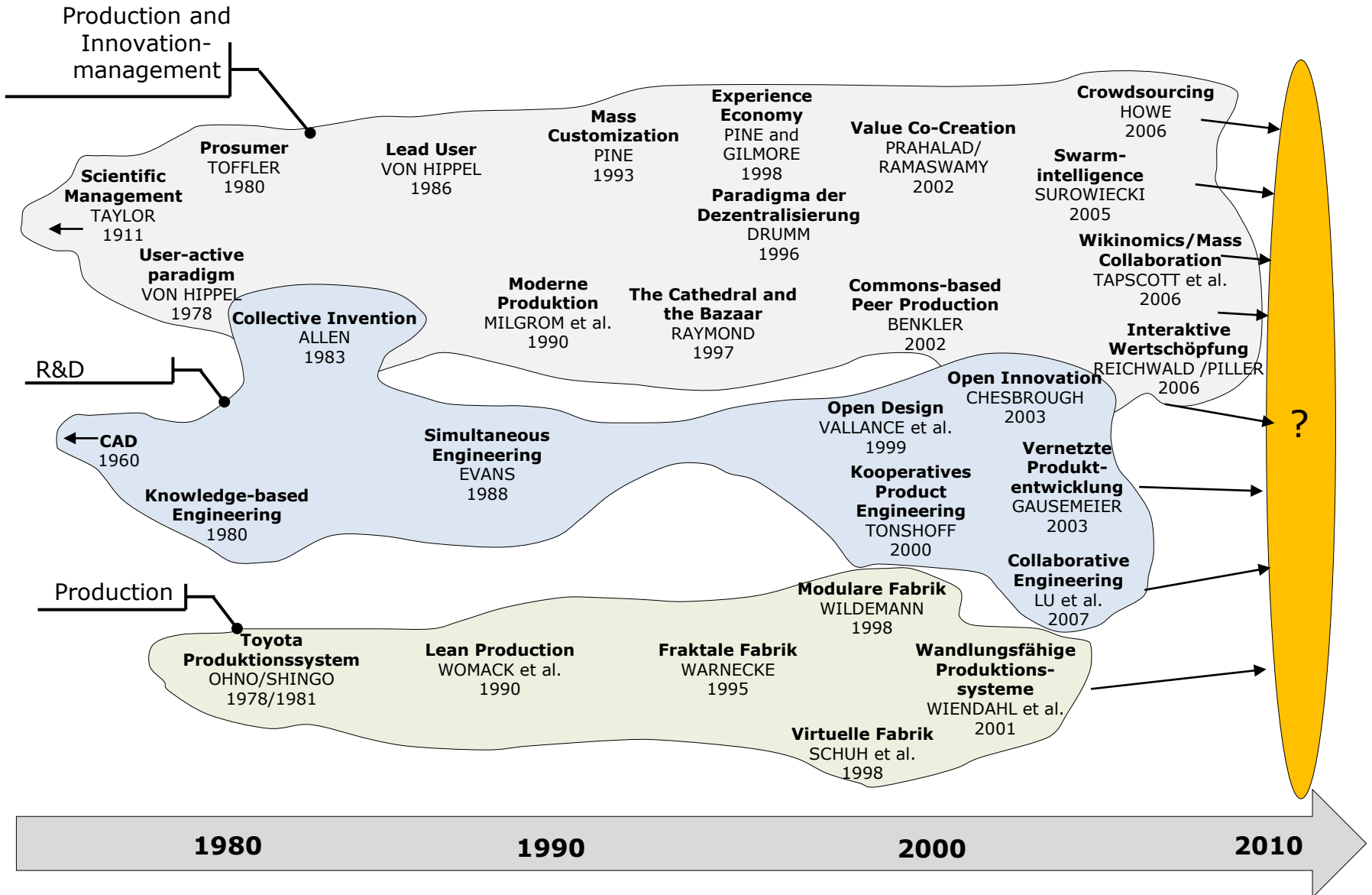


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Things have changed ...



Redlich (2011)

Social Economy through Social Technology?

Social technologies include a broad range of applications that can be used both by consumers and enterprises

Social Economy:
Unlocking value and
Productivity through
Social technology



Several other terms describe phenomena closely related to what we call social

McKinsey Global Institute (2012)

Balance of Power?

The balance of power in value creation is tipping in favor of consumers

How Companies Think

CRM
Call Centers
ERP
Choiceboards
Enterprise Networks
Product Variety
Plants
Pricing
Logistics
Product
Manufacturing
Engineering
Technology
Science
R&D
Platforms



How Consumers Think

Hopes
Dreams
Desires
Aspirations
Peace of Mind
Family
Lifestyle
Work Style
Compromises
Needs
Chats
Stage of Life
Consumer Reports
Activities
Communities
Word of Mouth
Expectations

Prahalad/Ramaswamy (2002)

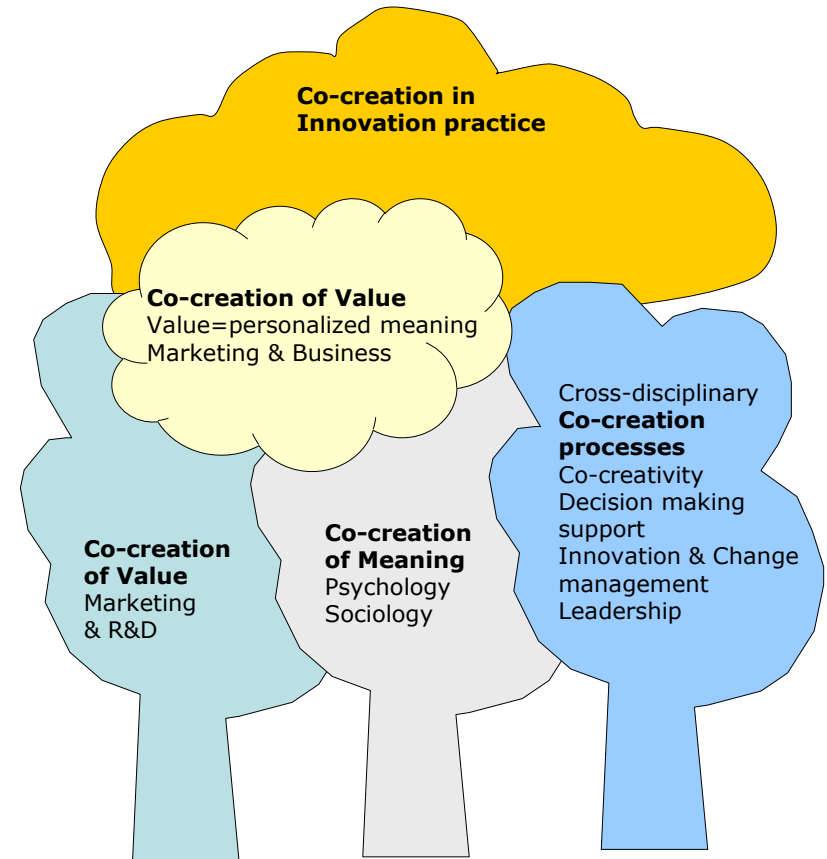
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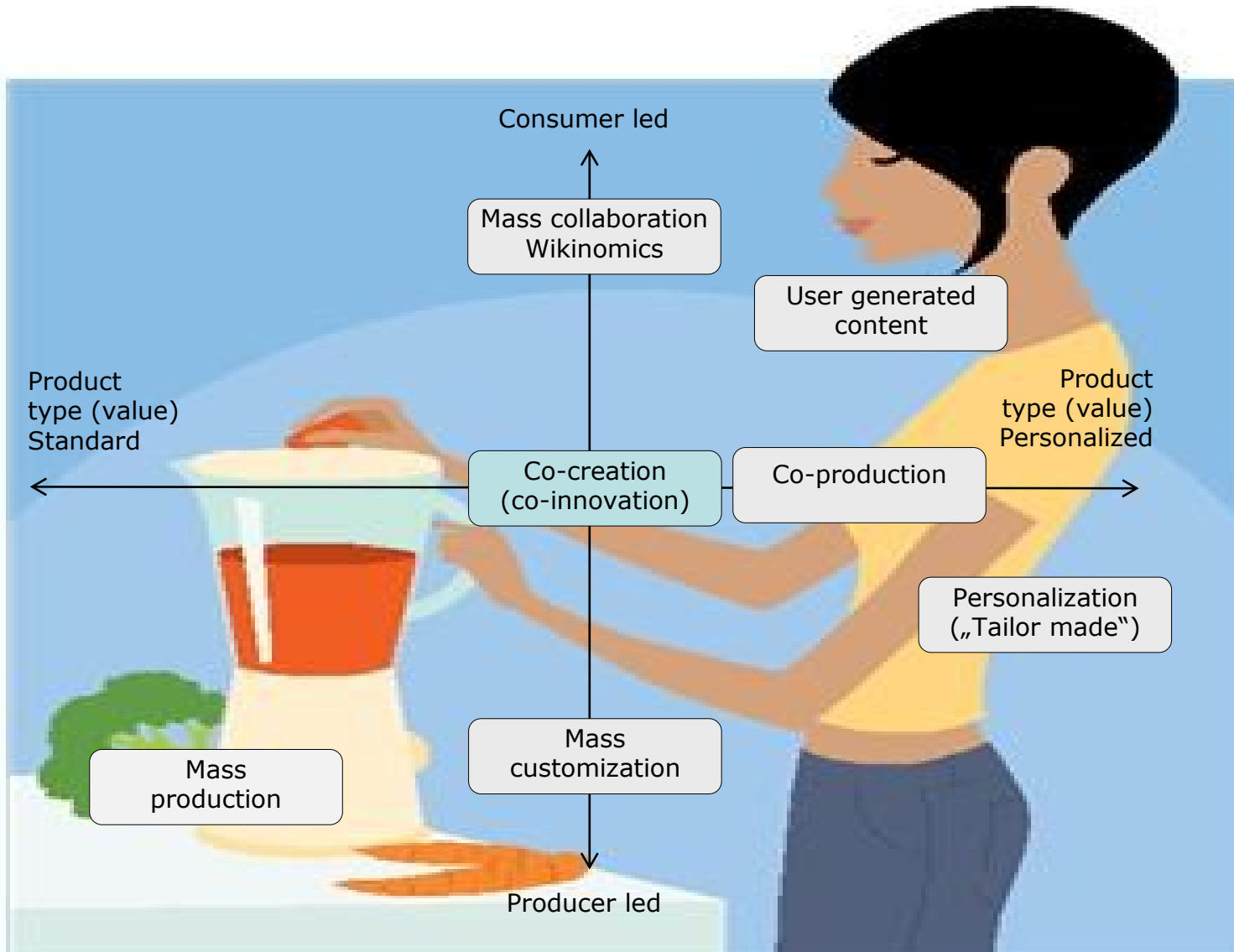
Co-creation: New pathways to value

Currently views and definitions of
co-creation differ from context
to context and according to
disciplinary outlook



Roser/Samson/Humphreys/Cruz-Valdiviso (2009)

Co-Creation Mix



Roser/Samson/Humphreys/Cruz-Valdiviso (2009)

Open Innovation - Innovation Openness

An innovation is 'open' in our terminology when all information related to the innovation is a public good - non-rivalrous and non-excludable. This usage is closely related to the meaning of open in the terms 'open source software' (Raymond 1999) and 'open science' (Dasgupta and David 1994).



It differs fundamentally from the recent use of the term to refer to organizational permeability - an organization's "openness" to the acquisition of new ideas, patents, products, etc. from outside its boundaries, often via licensing protected intellectual property (Chesbrough 2003).

Baldwin, von Hippel (2009, revised 2010)



Home

Products

Games

Create & Share

Shop

Change Region Search



Sign Up Sign In

LEGO DIGITAL DESIGNER DOWNLOAD GALLERY SUPPORT

YOU CAN NO LONGER ORDER YOUR MODELS



What happened to DESIGN byME?

17.09.2012

Agenda

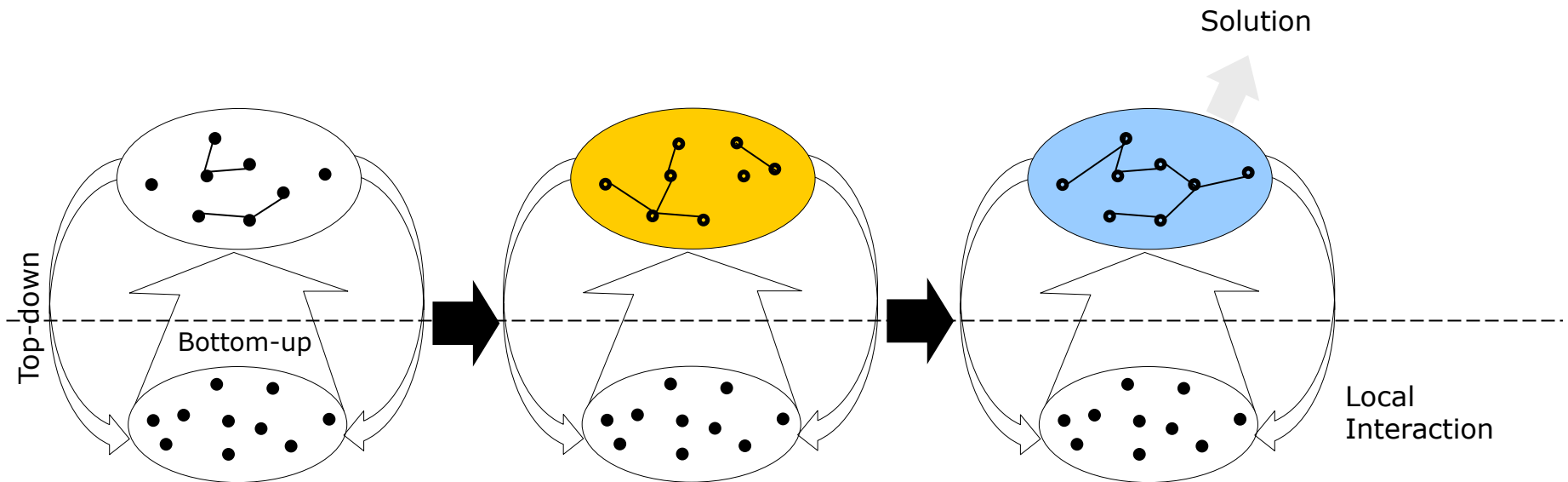
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An Emergent Approach

Feedback loops, reciprocal interactions with co-creation partners, and integration with external innovation networks and communities.

West/Bogers (2011)



Ueda (1999)



Reflexive (Open) Innovation Model

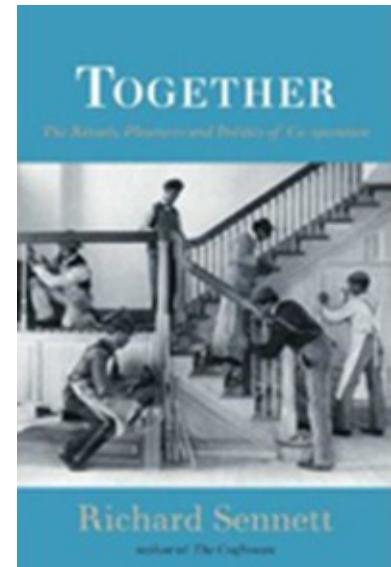
Freund et al. (2011, 2012)

New Economic Sociology: Embeddedness of Social Interaction

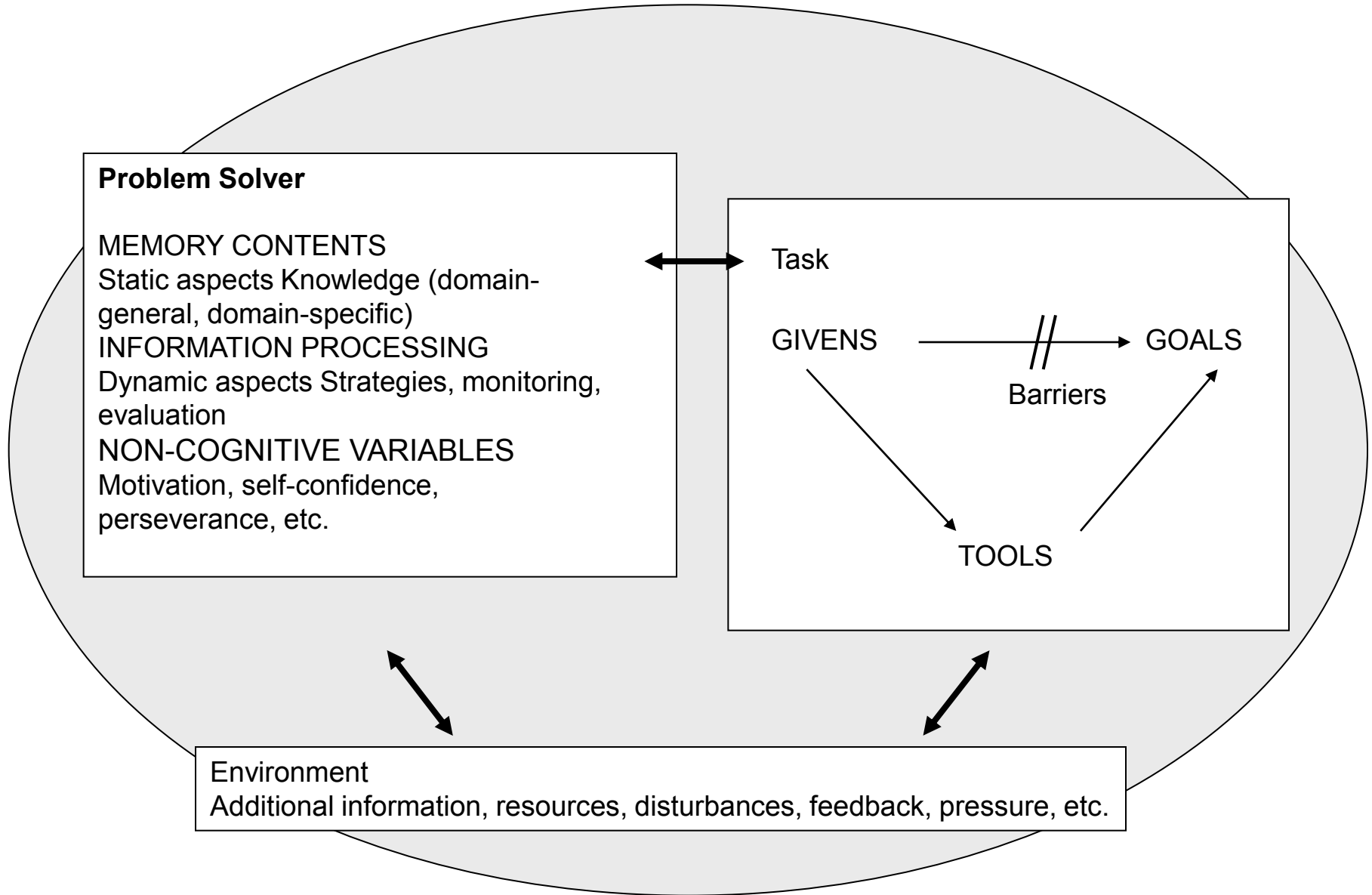
The new economic sociology argue, that economic behavior is
“embedded in networks of interpersonal relations”,
so that the assumption of atomized decision-making is wrong.
(Granovetter 1985)

Sociologist focuses on the actor as socially constructed entity,
as ‘actor-in-interaction’ or ‘actor-in-society’“

(Smelzer/Swedberg 2005)



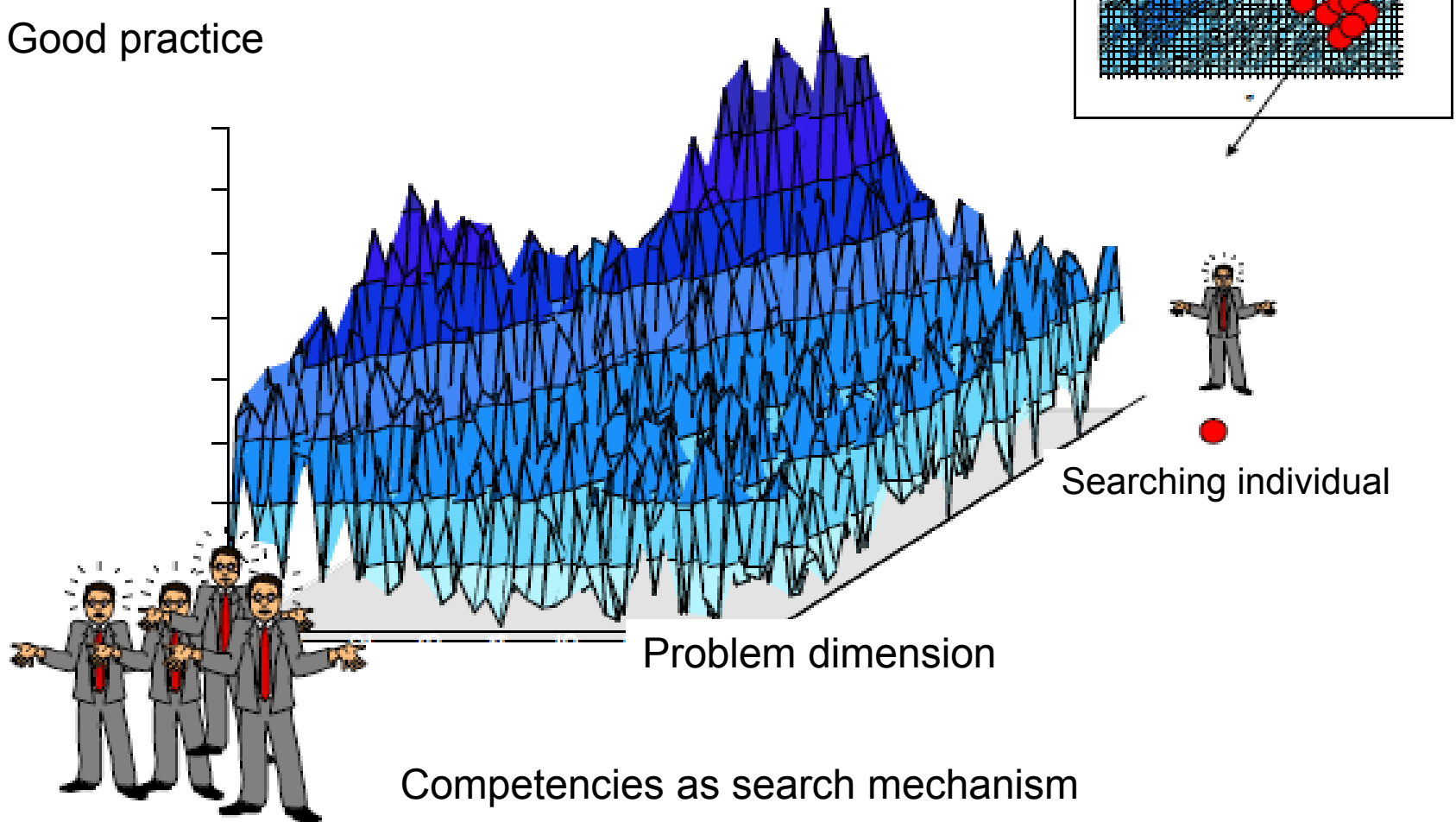
Complex Problem Solving Situation



Frensch/Funke (1995:22)

Complex problem solving

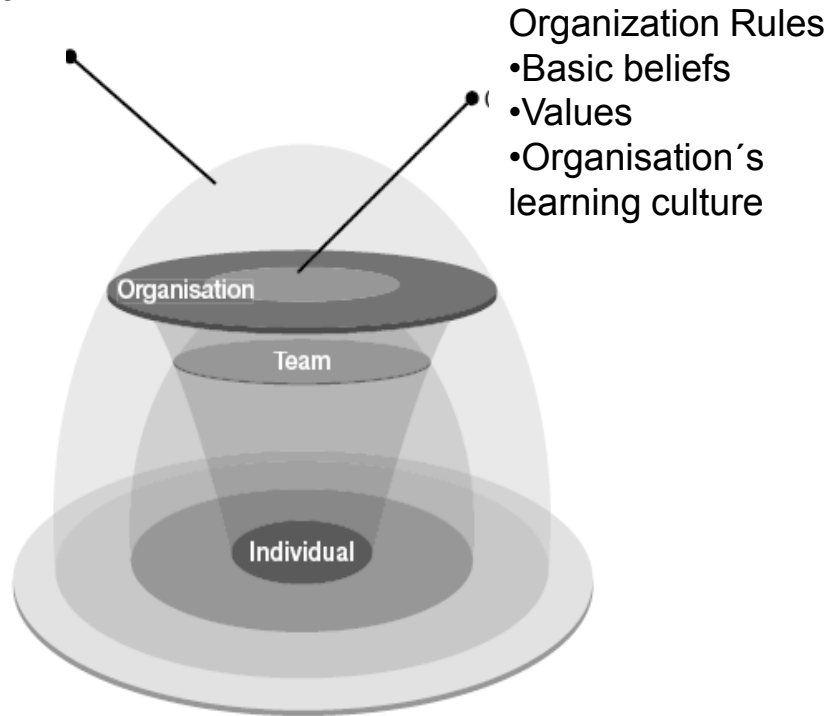
Good practice



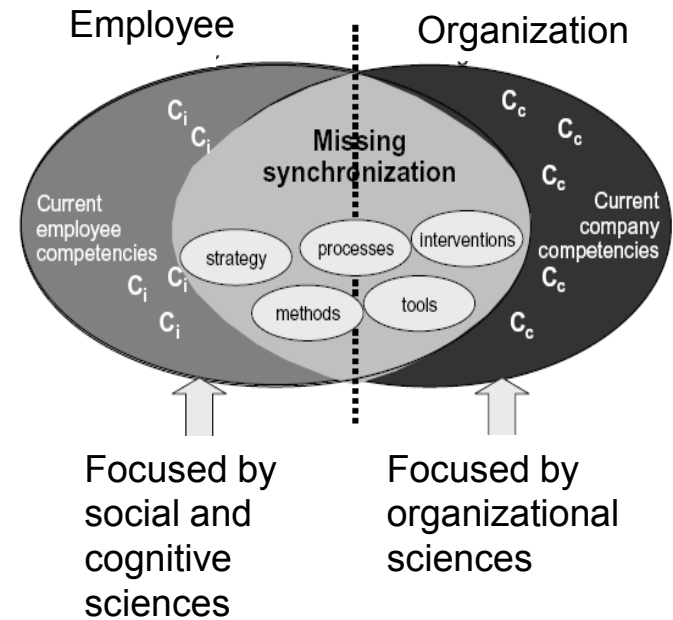
Erpenbeck/Scharnhorst (2005:9)

Competencies on Individual, Team and Organisational level

Environmental Values
 •Markets
 •Customers
 •Suppliers

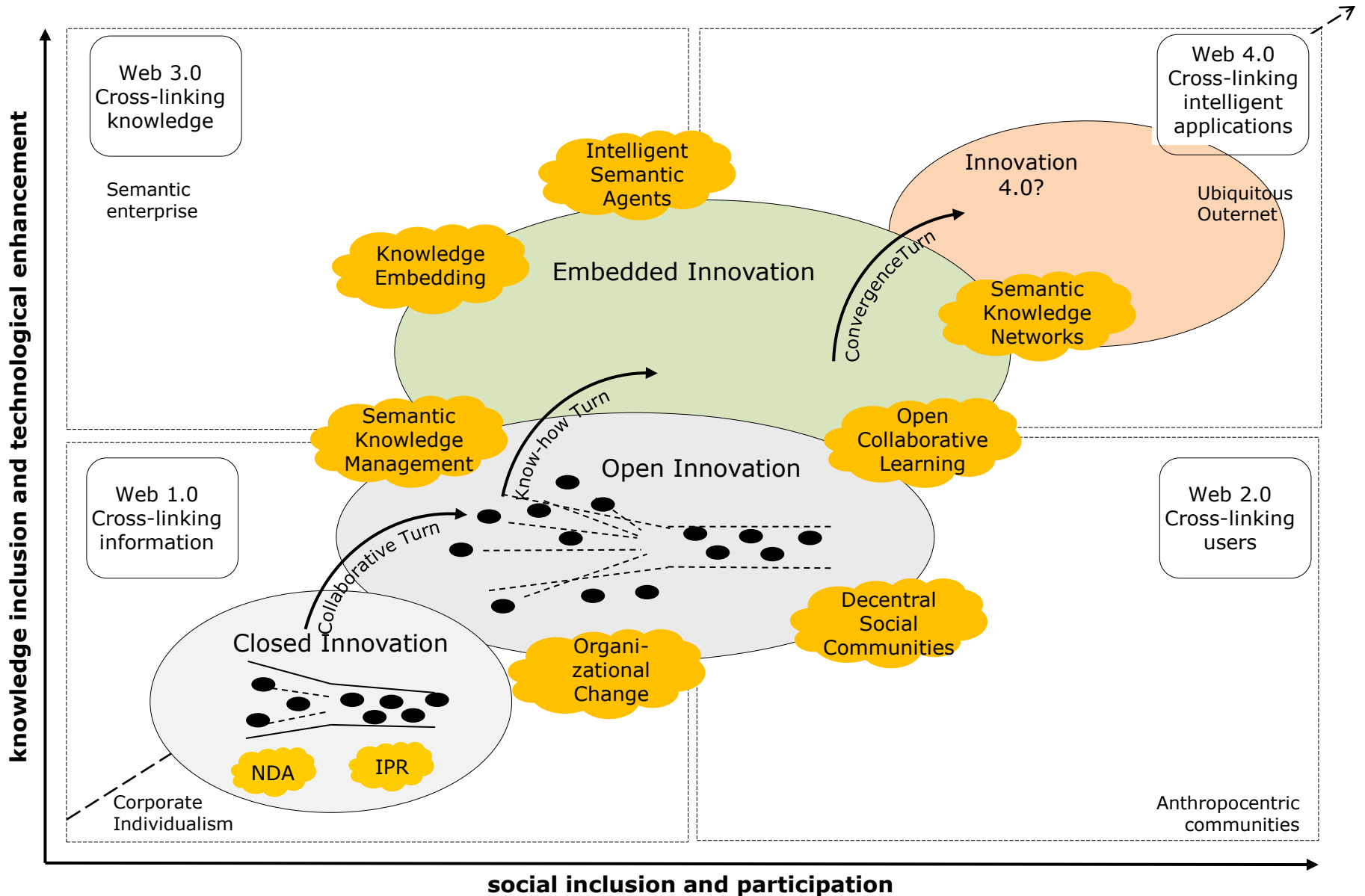


Levels of competencies in an Organisation



Reinhardt/North (2003:1373)

Embedded Innovation



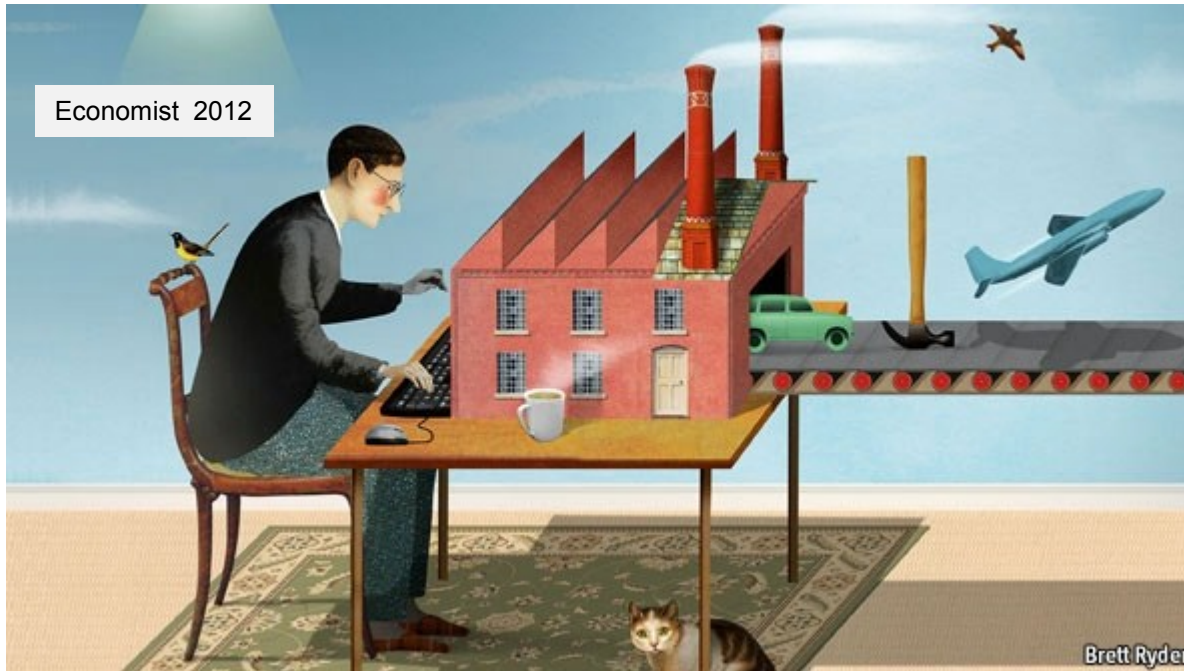
Hafkesbrink/Schroll (2011)

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Bottom-Up Economy



**Obama: US needs
bottom-up economics**

United Press International,
24.06.2012

Real bottom-up economics is a system that emphasizes trust in the private sector to evolve organically, independently, and in desirable directions, within a tested and evolving legal framework

American Enterprise Institute (2012)

Finance: Crowdfunding



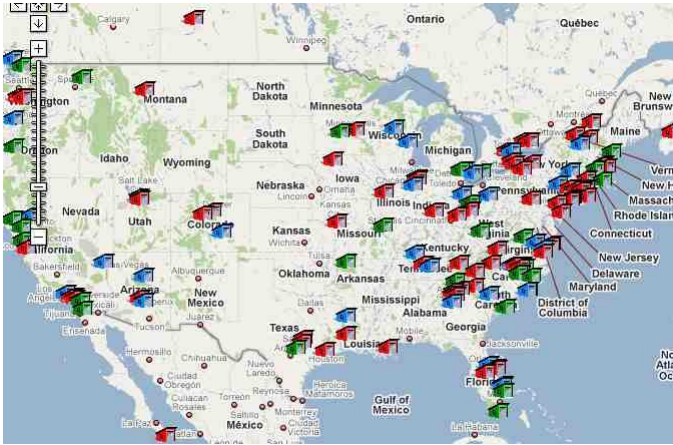
Small Business Trends 2011



Crowdfunding raised \$1.5B last year —
and is on track to double in 2012

Venturebeat.com, May 2012

Production: Network of Fabbers



"Will our challenges best be solved by **100,000 garages** across the country, expressing a new era of American industry and innovation?"

- Tom Brokaw, paraphrased from a question he posed during the 2008 presidential debates

The answer is yes!

100kGarages.com.
Connect. Collaborate. Create.

Digital fabrication is everywhere. It's being expressed at Maker Faires, on sites such as Etsy and CustomMade, and represented in the growth of hacker spaces and TechShops across the country. And 100kGarages is fast becoming a vital connection point in the digital "fab" revolution. It's a place for people who have designs (or just ideas for things they want to make) to connect with digital fabricators ("Fabbers") who can help make these ideas become real.

100kGarages was started in 2008 by ShopBot Tools, Inc., one of the largest



Source: www.thingiverse.com



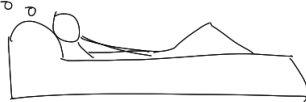
Health Care: Quantifiedself

KEVIN KELLY

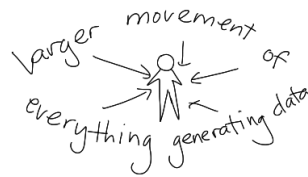
Quantified Self 2012
Sept 16 - Closing Plenary



SELF ← a recent invention!
◦ advertising, psychoanalysis



The **QUALIFIED** self
→ **exo-senses**



- Quantified Exosenses
- sharable?
 - verifiable?
 - Malleable?
 - Intelligible?

Quantified



New ways to measure, new ways to better.



If it can be measured or recorded, someone is tracking it. even toenails!



Your cellphone is a great



TRACKING DEVICE

that you can make calls with.

Are we ready for this scale?

Zillionics

data ≠ new gold
 $g \rightarrow g = g \rightarrow g$

ownership access

Nobody owns the ALPHABET.

Data can't be owned
rights duties
commons



Extending our selves

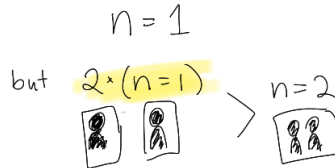


Display is an INTERMEDIATE step.

The sense of NORTH



Senses



Kevin Kelley
Quantifiedself, 16.09.2012

Conclusion

- Technology can be used both by consumer and enterprises
- The balance of power in value creation is tipping in favor of consumers
- Co-creation mix: There are multiple pathways to create value
- Social interaction is embedded in networks of interpersonal relations
- From Top-Down Economy to Bottom-Up Economy

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Thank you!

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