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Best, B., Miller, K., McAdam, R., & Maalaoui, A. (2021). Business model innovation within SPOs: Exploring the antecedents and mechanisms facilitating multi-level value co-creation within a value-network. *Journal of Business Research*. Advance online publication. <https://doi.org/10.1016/j.jbusres.2021.11.043>

**Published in:**  
Journal of Business Research

**Document Version:**  
Peer reviewed version

**Queen's University Belfast - Research Portal:**  
[Link to publication record in Queen's University Belfast Research Portal](#)

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# **Business model innovation within SPOs: Exploring the antecedents and mechanisms facilitating multi-level value co-creation within a value-network**

## **Abstract**

To be sustainable, social purpose organisations (SPOs) are increasingly engaging in value networks. This enables them to improve service delivery through social and economic value co-creation (VCC). However, operating within a value network will require SPOs to innovate their business models. This is a complex activity due to their distinctive governance structures and funding arrangements and the need to align value processes across a multiplicity of stakeholders. This paper advances knowledge by exploring how SPOs innovate their business models to engage in VCC through a value-network. By analysing three SPO value networks, we provide new insights into the antecedents and mechanisms of VCC which span the micro, meso, and macro levels of context. We also illustrate the factors which underpin SPOs ability to embed VCC within their business models through operating in a value network.

**Key words:** Business Model Innovation, Value co-creation, Special Purpose Organisations, Value networks, Context, Stakeholder collaboration.

## **1. Introduction**

Social purpose organisations (SPOs) have long been recognised as important entities within an economy; where they make a valuable socio-economic contribution through their delivery of services across multiple policy dimensions (Bryson et al., 2017). SPOs are organisations which are characterised predominantly by their social remit, where they seek to initiate and nurture social change (Salvado, 2011, p.84). However, due to often being publicly funded, they have a dual mission to achieve economic and social value (Weerawardena et al., 2021; Siebold, 2021). SPOs are also different from for-profit firms due to the central role of volunteers, distinctive governance structures and funding arrangements, and their multiplicity of stakeholders (Taylor and Taylor, 2013).

A critical challenge for SPOs is to sustain the financial resources needed to achieve their social mission (do Adro et al. 2021). For example, the impact of the COVID-19 crises is predicted to lead to losses of over £4bn in income within the SPO sector (Chapman et al., 2020). This challenge is coupled with existing cuts in public sector services (Best et al., 2021), and a heightened demand for SPO services amongst vulnerable groups, who historically could have availed of state-run services (Henderson and Lambert, 2018). Consequently, there has been an increased interest by researchers and policy makers on how SPOs can adapt to remain sustainable in light of these environment changes and continue to deliver their social mission (Weerawardena et al. 2021). This has led to a growing body of research exploring the dynamism of SPOs business models (e.g. Weerawardena et al., 2021; Siebold, 2021; Spieth et al. 2019). Responding to environment changes will have a significant impact on their core business model elements such as their daily activities, structure and governance elements (Amit and Zott, 2001).

A business model can be conceptualised as a firm's value processes and means of creating, delivering and capturing value (Teece, 2010; Foss and Saebi, 2018). SPO business

model research to date has acknowledged how changing environmental conditions can lead to mission drift (Klein et al., 2021; Spieth et al., 2019). Moreover, there is a need for SPOs to overcome adaptive tensions associated with their ability to balance social and economic value (Best et al., 2021; De Silva et al., 2019). However, there is a lack of research on the core antecedents and mechanisms which enable or constrain SPOs to engage in business model innovation (BMI) to create value (Kullak et al., 2021; Corsaro, 2019; Reypens et al., 2016). BMI is a resource intensive and complex activity for any organisation (Filser et al. 2020; Spieth et al. 2019). However, it has been identified that SPOs unique characteristics and context may pose additional challenges for value creation through BMI (Weerawardena et al., 2020).

In the UK, some SPOs are innovating their business models from traditional, silo-based business models towards more open and collaborative models. This aids the delivery of collaborative approaches to service delivery, through forming value networks (Best et al., 2021; Kullak et al., 2021). Axelrod (1997, p.56) identify that value networks comprise of *‘independent agents which interact with each other according to a set of rules’* which requires adaptation and aggregation across levels of context in order to operate holistically as an evolving system.

In seeking to understand the complexity of SPOs engaging in BMI to operate within a value network, we suggest that service dominant logic (SDL) (Vargo and Lusch, 2008; Vargo, 2018) is a useful lens. SDL suggests that the creation of value within service contexts involves value co-creation (VCC) where the resources of one system integrate with those available in other service systems (Vargo, 2018). Whilst the term ‘shared value’ is widely recognised within organisations, much remains unknown on how value can be co-created, particularly within complex contexts where multiple stakeholders engage in direct and indirect service exchanges (Weber et al., 2017). SDL literature also underscores the importance of “value-in-context” (Chandler and Vargo, 2011) where ‘contexts’ represent sets of unique actors who have unique

knowledge, skills and reciprocal links between them. A value network presents a unique context, which has multiple levels of interactive collaborations (Tari Kasnakoglu, 2016). Consistent with prior studies examining VCC in a public sector context (e.g. Beirão and Patrício, 2017), the SPO network can be viewed as representing the macro level. The partner organisations of the SPO network often represent the meso level, and individual stakeholders of the SPO network e.g. staff, customers, the funder and directors can be considered to represent the micro level. Scholars acknowledge the complexity of context as a multidimensional phenomenon (e.g. Chandler and Vargo, 2011). This suggests that value accrued and/or destroyed at one level e.g. the micro level, may have a bearing on value embedded at the meso and/or macro levels.

To date there is limited research on how VCC is developed across multiple levels of networked actors (Chandler and Vargo, 2011; Bryson et al., 2017). Networks can be viewed as a dynamic context, where the integration of resources from each actor and their relationship with other actors will change the nature of the network (Chandler and Vargo, 2011). This will require fundamental changes to individual network member's business models. Understanding how value is cocreated through multi-actor collaboration in an SPO network is important yet theoretically and practically problematic. Here, dual institutional logics and diverse value expectations change over time (Weerawardena et al., 2021; Siebold, 2021; Lepak et al., 2007). This study contributes to gaps in existing research by aiming to explore how SPOs innovate their business models in order to engage in VCC through a value-network. In particular, we contribute to SDL's network-centric focus by examining the antecedents and mechanisms of VCC across different dimensions and levels of context within a SPO value network. We also explore the associated interdependencies across these levels and dimensions.

This research contributes to SDL and VCC literature through providing multi-level insights into the antecedents and mechanisms of VCC dimensions that oscillate between levels

of aggregation in SPO value networks. In doing so, we illuminate the importance of value-in-context (Akaka and Parry, 2018; Chandler and Vargo, 2011) for understanding SPO business models; which is both an enabling and constraining force. We also respond to calls to advance knowledge on networked business models (e.g. Foss and Saebi, 2018) and SPOs BMI (e.g. Weerawardena et al., 2021; Kullak et al., 2019; Spieth et al., 2019). Hence, we explore how SPOs can embed VCC through their business model value dimensions in order to operate within complex stakeholder networks and remain sustainable.

## **2. Literature review**

### **2.1 Business Models and Value Networks**

Business model research has traditionally focused on the competitiveness of a focal firm and associated economic value creation processes (Massa et al., 2017). Indeed, dominant perspectives suggest that the core sources of economic value creation was often thought to reside within a firm and how they manage their value chain (Normann and Ramirez, 1993; Kullak et al., 2021). However, in recent years, there has been increased interest in alternative business models of firms, particularly with the rise in servitisation (Palo et al., 2019). SPOs have unique business models, where they seek to achieve social missions through service delivery. Compared to private organisations, SPOs have a larger number of stakeholders, where they seek to balance economic and social value (Weerawardena et al., 2021; Klein et al. 2021). They also face inherent resource constraints due to a reliance on public sector contracts and the higher salience that social missions play over their efforts for economic returns (Weerawardena et al., 2021). Best et al. (2018; 2021) and Kullak et al., (2021) highlight that SPOs are now being motivated to form value networks as a way of delivering superior value and remaining financially sustainable. This is synonymous to systems approaches (Velu, 2017) and ‘network’ perspectives of value, which acknowledge that firms do not create value autonomously, but are

often embedded within interdependent value exchanges with external actors (Peppard and Ryand, 2006; Miller et al., 2021). Lusch et al. (2010) define a value network as “*a spontaneously sensing and responding spatial and temporal structure of largely loosely coupled value proposing social and economic actors interacting through institutions and technology, to: (1) co-produce service offerings, (2) exchange service offerings, and (3) co-create value*” (p. 20). Viewing a firm as embedded within a value network is important for sectors involving intangible assets, such as services (de Reuver and Bouwman, 2012). Here their business models require more permeable boundaries to take advantage of external knowledge capabilities in order to create, deliver and capture value. Halinen and Törnroos, (2005) draw parallels between a value network and a business ecosystem, where both have interdependent stakeholders who simultaneously create and capture value by combining and leveraging resources. Indeed, some scholars use the holistic term ‘ecosystem’ to conceptualise networks (Cavallo et al., 2021). However, a value network can be considered a more tightly knit structure, which may or may not be embedded within a wider ecosystem. A value network can be considered to be differentiated due to actors seeking to engage in VCC; which will benefit the collective (Best et al., 2021). In seeking to further understand the concept of VCC within value networks and how this can be embedded within SPO business models, we draw upon SDL as a framework for understanding VCC in service systems (Chandler and Vargo, 2011; Vargo and Lusch, 2017).

## **2.2 Understanding VCC within value networks and business models**

SDL is suggested to be a “*very young theoretical framework*” (Vargo, 2018, p.735) which has progressed from the focus on goods dominant logic towards a basis for understanding the nature of value exchange in dynamic markets (Vargo, 2018). Foundational premises of SDL identify that “*value is always co-created with customers (and others), rather*

*than unilaterally created by the firm and then distributed*” (Merz et al. 2019, 328); which is synonymous with core concepts of a value network. Business model literature also acknowledges the importance of adopting a customer-centric perspective that reflects *“management’s hypothesis about what customers want, how they want it, and how the enterprise can organize to best meet those needs, get paid for doing so, and make a profit.”* (Teece 2010: 172). Customer-centric organisations focus on customer needs identification and satisfaction (Gummesson, 2008) to co-create value (Frankenberger et al., 2013).

Vargo (2018) suggests that service systems are becoming increasingly complex, where actors are deeply embedded in complex economic and social systems. Furthermore, there has been increased interest in the importance of *“value-in-context”* (Chandler and Vargo, 2011; Vargo and Lusch, 2017; Akaka and Parry, 2018) where value is co-produced through unique social, ecological, and economic actor-to-actor exchanges (Lusch et al., 2010; Freudenreich et al., 2019). A value-in-context perspective identifies that context influences *“how resources can be drawn upon for service”* (Chandler and Vargo, 2011, 40) and that each context provides conditions *“under which different resources will and will not be valuable”* (Barney, 2001, 43). Applying core concepts of SDL to a value network suggests that the context of the network will underpin the nature of value exchanges and production of value between members within the network (Akaka and Parry, 2018). However, understanding how value is embedded within a network context is complex, as there are multi-directional value flows spanning different levels in the network (Freudenreich et al., 2019). Drawing insights from SDL, value within a SPO network can be viewed at the micro, meso, and macro levels of context (Chandler and Vargo, 2011; Frow et al., 2015). Chandler and Vargo (2011) identify that collaborative service delivery relies upon micro level interactions which are within a broader, meso level context, and includes other macro level stakeholders and institutions (Akaka et al., 2013). At the micro level, individual stakeholders e.g. staff, customers, the funder, and directors, exchange



resources to directly serve another stakeholder and therefore the exchange of knowledge is a dyad (Chandler and Vargo, 2008). The micro level represents benefits accruing to individuals of the SPO network (Austin and Seitanidi, 2012). At the meso level, the context for service exchange in an SPO network is represented as a triad of knowledge flows. At the macro level, the context for service exchange is a complex network, where multiple stakeholders share knowledge and interact in direct and indirect service exchanges (Chandler and Vargo, 2011). Understanding how context frames value creation and exchange in an SPO network requires a comprehensive understanding of how value is created at each level through the exchange and integration of multi-actor resources (Chandler and Vargo, 2011; Beirão et al., 2017; Akaka and Parry, 2019).

It is recognised that levels of context have inter-dependencies and are embedded in each other (Lusch and Vargo, 2011). Research suggests that mechanisms of communication, structures and resource exchanges at the micro levels will influence the communication, structures and resource exchanges at meso and macro levels, and vice versa (Akaka and Parry, 2019; Frow et al. 2015). We argue that understanding the antecedents and mechanisms which enable or constrain how value oscillates across these different levels will enable a richer understanding of how SPOs can innovate their business models to operate within value networks. For example, changes will be needed across different elements of SPO business models internally at the micro level in order to influence VCC processes and mechanisms at the meso and macro levels. Understanding how value is aggregated at different levels of context is important to help SPOs move towards operating within value-networks as a means of sustainability. However, understanding and capturing VCC in a network can be ambiguous (Dougherty & Dunne, 2011; Chandler, 2018), where much remains unknown on how VCC unfolds among multiple stakeholders at the network level (Reypens et al., 2016). Therefore, whilst business model research recognises the importance of VCC within and across a network

of actors (e.g. Kullak et al., 2021; Best et al., 2021; De Silva et al., 2021; Siebold, 2021), how SPOs can innovate their business model to operate within a value network and embed VCC has not been fully explained (Kullak et al., 2021). We suggest that VCC can be conceptually explored by examining how antecedents and mechanisms of VCC dimensions enable value to be created and embedded at different levels of context in SPO networks.

### **2.3 Conceptualising VCC within business models and across value networks**

It has been suggested that current understanding of VCC has been conceptually unclear (Neghina et al., 2015; Murthy et al., 2016), particularly in relation to how it can be embedded within a business model (Foss and Saebi, 2018). Within a value network VCC spans multiple levels and dual missions of SPOs; which adds additional layers of complexity. Existing studies fall short in specifying antecedents or mechanisms which facilitate VCC at different levels of context in a network configuration (Wieland et al., 2017; Fehrer et al., 2018).

In an SPO value network, VCC presents new challenges including changed processes and outcomes (Reypens et al., 2016). Value outcomes accrue to the SPO network and to individual stakeholders. However, little is known about the processes that enable stakeholders to capture their share of value (Reypens et al., 2016). If value capture processes are unclear then the motivation for stakeholder engagement in an SPO network may be lower (Nambisan and Sawhney, 2011). Foss and Saebi (2018) identify that the antecedents of VCC in a business model, may be many, different in nature, placed at different levels, and internal or external to an organisation. This highlights the complexity of the VCC phenomenon, where there are diverse logics and perspectives) that divide agreement on the dimensions of VCC (Neghina et al., 2015; Zhang, 2020). Consequently, there has been asymmetric development and limited interchange between the BMI and the VCC fields of study, resulting in the need for rich insights to aid theoretical development. Drawing on BMI literature, VCC can be visualised through a

number of dimensions namely value proposition, value creation, value delivery, and value capture (e.g. Bouncken and Fredrich, 2016; Massa & Tucci, 2013). These dimensions closely coincide with research by Clauss (2017) who identify a scale for measuring BMI as depicted through a firm's value creation, value propositions and value capture elements. The complexity of embedding VCC across each value dimension will now be explored.

Value propositions (VPs) constitute a central foundational premise of SDL (Frow and Payne, 2011) and serve as a mechanism for determining and connecting relationships and expectations of actors through value-in-context (Chandler and Vargo, 2011). In a SPO individual firm context, VPs have a broader stakeholder perspective that embrace environmental, social and economic value (e.g. Ekman et al., 2016; Spieth et al., 2019; Freudenreich et al., 2019). Compared to private firms, SPOs are conditioned to collaborate more than they compete with other organisations in order to deliver superior service; a concept referred to as cooptation (Bouncken et al., 2015: 2020; Ribeiro-Soriano et al., 2016). However, co-creating VPs across multiple levels in a network involves managing the alignment of economic, social and environmental logics of multiple stakeholders, creating challenges for SPOs trying to innovate their business models (de Silva et al., 2021; Ekman et al., 2016; Spieth et al., 2019). In a network context, there is little empirical research informing how stakeholder alignment is achieved in the development of VPs (Frow and Payne, 2011; Velter et al., 2020), giving rise to calls for a broader understanding of VPs that are created by and for a range of stakeholders (de Silva et al., 2021; Freudenreich et al., 2019).

Facilitating value creation in collaboration with other stakeholders is considered a co-evolutionary process, where there is a need to aggregate value through the cumulative exchange of knowledge, resources, and activities (Romero and Molina, 2011; Bouncken et al. 2020). However, the creation of value is more complex in a network due to multi-directional value flows (Freudenreich et al., 2019) that simultaneously challenge the existing logics of a firm.

Within a network, new ways to create and capture value need to be configured with stakeholders. Stakeholders may play passive or active roles that change over time (Reypens et al., 2016; Ekman et al., 2016) requiring the need for adaptability (Michaelis et al. 2021). Lindhult et al., (2018) refers to SDL to suggest that value is emergent in use. Here, as the network develops, actors perceive multiple emergent forms of value, through exchanges with other actors within or outside of the network's boundary (Ekman et al., 2016). These enable the creation of new value constellations (e.g., Normann and Ramirez 1993; Vargo and Lusch, 2017).

Delivering value in a service context is concerned with the formulation and implementation of a value proposition (Ballantyne et al., 2011). In a value network, the service delivery environment is complex and dynamic (Meynhardt et al., 2016), therefore value delivery is not limited to an actor or dyad (Ekman et al., 2016). This creates difficulties in the coordination of stakeholder activities, process alignment across stakeholders (Meynhardt et al., 2016) and requires significant changes to operational processes and business model logics (Clauss, 2017). To co-deliver value, there is a need to work systemically with stakeholders to reduce costs and improve performance (Corsaro, 2019; Reypens et al., 2016). However, current literature on business models fails to address the complex VCC arrangements in service settings (Ketonen-Oksi, 2018).

Beyond the creation and delivery of value, there is the process of value capture which traditionally relates to the profitability of business activities (Wirtz et al., 2016). However, in a SPO context, this requires consideration of social value and achievement of the social mission. In value-networks, multiple types of value are jointly created in a '*value space*'. Within a '*value space*', differentiated value outputs accruing to individual partners are captured and aggregated by the network through resource and knowledge exchanges (Romero and Molina, 2011; Reypens et al., 2016). Outputs and success factors across stakeholders within a value network

need to be differentiated and measured at individual, firm, and network levels. However, this is a challenging activity as it presupposes the anticipation of types of value expected by stakeholders at different stages of a collaboration (Bouncken et al. 2020; Reypens et al., 2016). Lepak et al., (2007) reflect that “*the source that creates a value increment may or may not be able to-capture or retain the value in the long run*” (p. 181). Consequently, value created in a network may not necessarily be captured in totality over the long term.

In sum, value networks are useful mechanisms to aid SPO sustainability. However, they raise the potential for many challenges in ensuring VCC both internally within individual SPO business models and externally across different levels of context within the network (Kullak et al., 2021). There is a need for further understanding on how VCC mechanisms, working alongside each other, can enable and elevate progression of VCC opportunities through co-creative interactions (e.g. Saarijärvi et al., 2013; Frow et al., 2015; Best et al., 2018). While prior studies focus on a specific mechanism or sector (e.g. Elofson and Robinson, 2007) less is known about the mechanisms for coordinating the contributions of different stakeholders within a network context (Frow et al., 2015). Therefore, to help achieve the aim of this research we seek to explore the following two research questions in our empirical analysis:

*RQ1. What antecedents and mechanisms of VCC exist at different levels of context in a SPO value-network? and,*

*RQ2. How do antecedents and mechanisms of VCC at different levels of context influence SPOs ability to engage in BMI?*

### **3. Methodology**

This research adopted a qualitative, interpretivist orientation which is subjective in nature and suitable for deriving context-based knowledge (Goldkuhl, 2012). Responding to calls for research to use multiple, rather than single case studies instances of SPO-BMI

(Olofsson et al., 2018; Kullak et al., 2021; Chester et al., 2019), we purposefully selected three case studies of existing SPO value networks. The case studies were all engaged in the delivery of services to socially deprived groups and communities through collaborative, working arrangements. To aid analytical generalizability of the findings (Yin, 2018), we sought cases of different sizes, geographical remit (across the UK), primary customers, and business purpose. An overview of the cases is presented in Table 1.

[Insert Table 1 here]

Case study ISN (see Table 1) is an SPO inter-sectoral network contracted by a UK government department to deliver two public services with a value of £1.5m per annum. The network had been in existence for over 9 years and is comprised of seven disability organisations contracted to deliver programmes enabling people with disabilities to access and/or retain employment. The network is chaired and managed by two lead partner representatives of the seven partner organisations with shared governance inputs. Over 50 front line staff collectively support the delivery of services to people with disabilities. Case study SE1 (See Table 1) is a cross-sectoral network comprising a Social Enterprise who train people with disabilities for employment and a private sector mineral and quarry processor who manufacture external silicon renders and finishes. Operating for 12 years, the Social Enterprise employs 48 staff and undertakes commissioned work for the private sector partner that generates £100K of income per year and enables people with disabilities to gain employment. Case study SE2 (see Table 1) represents a cross-sectoral network comprising of a Social Enterprise, whose energy division provide energy efficiency advice to over 8000 vulnerable households per year. It includes a Non-Departmental Public Body who has a statutory duty to promote and safeguard the interests of consumers across a UK region. The SE2 network has been operational for 3 years after establishing a Memorandum of Understanding in 2018 with

the aim of maintaining and fostering co-operation, mutual understanding and effective working relationships between the two partners, ensuring each can fulfil its respective function.

The data collection and analysis process involved a number of stages in order to capture rich insights across multiple levels of analysis. Figure 2 provides an overview of the data collection and analysis process.

[Insert figure 2 here]

Data was collected via interviews and document analysis. Semi structured interviews were conducted with 20 participants from 12 organisations across the 3 case study networks, who had responsibility for a range of functions including corporate procurement, project management, marketing management, and service delivery. Table 1 provides a profile of the interviewees within each case. Interviews lasted on average 60 minutes, were audio recorded and transcribed. Participants verified the transcriptions prior to the data being imported into Nvivo 12. Interview questions covered the factors that motivated the organisations to form a value network; types of value experienced at the individual level, the organisational level and the network level; and how value was created, delivered and captured. Saturation was identified when further interviews did not meaningfully develop new information (Junks et al. 2018). Heterogeneity of interviewees coupled with different case study contexts helped capture a range of perspectives. This data was triangulated with secondary documents such as service user testimonials, performance monitoring records, improvement plans, partnership agreements, satisfaction surveys and project reports. This increased the validity of the findings and facilitated a deeper understanding of the studied phenomenon (Piekkari et al., 2010; Yin, 2018).

A reflective, thematic data analysis process was followed (Braun and Clark, 2006) which took a number of stages. In stage 1, the researchers familiarised themselves with the data through

manually reading and annotating transcripts and documents. This facilitated the identification of issues of interest relating to dimensions of VCC and antecedents and mechanisms of VCC across the value network. Stage 2 involved importing the data into NVivo 10, and then openly coding the data, which were categorised as ‘free nodes’ and ‘tree nodes’ in Nvivo 10 (Bazeley, 2013). Through an iterative process, these were subsequently grouped into sub-themes and themes (see Figure 2). Stage 3 adopted an iterative theorising approach (Braun and Clark, 2006), where it is recognised that studies can utilise various degrees of *a priori* theoretical constructs derived from literature. This helped to interrogate data and facilitate theory extension and the development of new knowledge (Miles et al. 2020). We utilised *a priori* constructs of VCC from the literature (value propositions, value creation, value delivery and value capture) and iteratively evaluated the emergent themes and subthemes from stage 2. Furthermore, we categorised themes and subthemes against their appropriate level of analysis (micro, meso or macro) across the SPO network. Consistent with prior research (Beirão and Patrício, 2017), the micro level of analysis was assigned to responses from the individual stakeholders. The meso level analysis represented managers of partner organisations comprising the SPO network. The macro level analysis comprised of the multiple internal and external stakeholders of the SPO network who are involved in direct and indirect service exchanges for example funders and employers. A sample of the Nvivo coding scheme is provided in Appendix 1.

#### **4. Findings**

The findings illustrated the dynamism and complexity of operating within a value network. Each of the case study value networks were configured differently. The business model for case study 1 (1SN) comprised of seven SPO organisations. The business model for case study 2 (SE2) comprised of a SPO and private sector partner configuration, and the business model for case study 3 (SE2) comprised of a SPO and a public sector partner



configuration. Figure 3 presents the configuration of each of the three value networks and illustrates the interdependent nature of each network.

[Insert Figure 3 here]

To help contextualise the findings, four characteristics of the SPOs operating environment that influenced the formation of the value networks were identified. These were namely, (1) opportunities to secure income, (2) the creation of employment opportunities, (3) opportunities to improve efficiencies and (4) enhanced customer services. An overview of these characteristics is presented in Table 2.

[Insert table 2 here]

Due to the richness of our data sources and multi levels of analysis, a summary of the findings is presented in Table 3 which serves as an analytical tool which we draw upon. The data analysis reflected that interactions and exchanges between stakeholders at each level of context have interdependencies (Frow et al., 2015) that enable the co-creation of value at the macro level (Beirão et al., 2017). The findings enabled the multi-level identification of antecedents and mechanisms of VCC cross the value propositions, value creation, value delivery and value capture dimensions. The findings are now discussed and additional supportive verbatim evidence quotes are provided in Appendix 2.

[Insert table 3 here].

#### *4.1 Antecedents and mechanisms of value propositions*

The interviewees across the SPO networks identified that operating within a value network demanded changes to the value propositions. A number of antecedents and mechanisms were identified which helped to co-create value propositions across the SPOs and wider actors within the network. As shown in Table 3, the need to ensure customer centricity emerged as an antecedent facilitating VCC at the micro (individual) level for ISN and SE2. Staff within these two value networks identified that they all had to align their goals to ensure

that the service user was able to receive a superior service. Co-engagement mechanisms were identified to be important. These enabled customer expectations to be clarified across the three SPO networks and to facilitate the collective ability of the networks to deploy interventions to meet the needs of service users. This included the need for cross-functional team working amongst staff which enabled a shared customer driven value proposition to be developed across the SPO networks.

At the meso level, shared values emerged as an important antecedent of the SPOs value propositions, enabled through co-experience and co-accountability mechanisms. The findings identified that the formation of a network enhanced the professionalization of the SPOs networks through collective quality standards and kitemarks, greater administrative efficiencies, lower costs, and a higher volume of performance outputs. Shared values linked the organisations participating in the SPO networks, and enabled the co-creation of value propositions and commitment to the fulfilment of mandatory contractual requirements.

At the macro level, the SPOs in ISN and SE2 networks cited that their need to demonstrate social and economic impact was a key antecedent to their engagement in VCC and was a key driving force influencing them to innovate their business model (see Table 3). Competition, government reforms and expectations requiring evidence of improved efficiencies also was a key motivating factor. This encouraged the SPOs to engage in greater levels of collaborative working, and outcome-based accountabilities. Co-dissemination and co-engagement mechanisms were found to support VCC. The actors in the ISN and SE2 networks identified that they were able to meet stakeholder expectations by engaging stakeholders in strategic events and by demonstrating collective social and economic impact beyond organisational boundaries. Collaborating with stakeholders beyond organisational boundaries was found to lead to greater economic outcomes for ISN and SE1 SPO networks, including improved workplace equality and diversity. Moreover, it simultaneously created social value

through heightened opportunities for social inclusion and reductions in stigma. This is reflected in the following quote:

*“It’s not just a case of ticking the box and making sure that somebody stays in the job, it’s about making sure they are happy in their role and that they are in the right role with the right supports... it also about improving the quality of life of that person.”*

(ISN, Manager 03)

Furthermore, joint collaboration enhanced the ability of network members in SE2 to generate macro level efficiencies, for example, developing oil buying clubs which reduced fuel poverty for vulnerable households, which helped reach energy efficiency targets.

#### *4.2 Antecedents and mechanisms of value creation*

The findings reflected that antecedents and mechanisms of value creation was significantly differentiated at the micro and meso levels of context across the three SPO networks (see Table 3). Agreeing realistic employment-orientated goals with customers was an important antecedent of value creation at the micro-level for ISN, which was enabled through co-engagement mechanisms. Here, front line staff challenged and negotiated the realities of expectations held by employers and customers. Participants of the SE1 network reported that entrepreneurship and support were important antecedents of value creation at the micro level. A manager of the SE1 network reflected how co-engagement opportunities enabled new opportunities for service developments through bi-lateral discussions.

*“...he (CEO) drives that organisation and he is very innovative in his approach.... One of the things that they are working on is recycling plastics as a future project and the (CEO) rang me and said we would have a joint opportunity there” (SE1, Manager)*

Participants of the SE2 network reported that impartiality represented an antecedent of value creation at the micro level. This was evident through linked partners providing independent advice to householders in a seamless manner through co-delivery mechanisms.

At the meso level (see Table 3), professionalization, specialist expertise and resource acquisition represented antecedents of joint value creation activities within the ISN network. Quality standards and kitemarks enhanced the legitimacy and reputation of the ISN network by reassuring the funder of a collective commitment to quality. Findings from the ISN network identified that institutionalising quality standards required each of the SPO partners to embed these standards within their business model. This approach led to value co-creation by enabling service improvements to be evidenced through co-design mechanisms involving the creation of joint improvement plans that were subject to audit by the funder. Resource acquisition enhanced the ISN network's strategic alignment with government's welfare reforms and its ability to win competitive tenders. Co-promotion mechanisms (including branding events and online platforms) illustrated the ISN network's collective commitment to quality improvement. Interviews with funder representatives of the ISN network reflected how the network's collective expertise and knowledge of service users was an important source of value creation. Thus, enabling the funder to shape and inform disability strategies through co-engagement events.

*“We need the expertise of organisations in the network because we're not at the cold face working with service users” (Funder, 02).*

At the meso level, processes, diversification, and customer service constituted antecedents of value creation for the SE1 network (see table 3). It was reported that co-design mechanisms enabled the creation of value by streamlining processes within the supply chain.

*“The sample has to be produced to a very high-quality using ISO 9001 but in terms of serving customers they [partner organisation] could not afford to run out of stock and*

*they could not afford to ask customers to wait a week or two weeks because then competitors will move in and get on with it. So I was able to get back to them about steam-lining that entire process” (Manager ISN).*

The findings also showed that co-engagement platforms enhanced opportunities for bi-lateral discussions informing product and service diversification that enabled more jobs to be created for people with disabilities within the SEI network. Customer service was an antecedent of value creation at the meso level for SE1; which was enabled through co-accountability mechanisms. These included shared decision-making focused on product quality, and consistency and reliability measures that enabled improved customer responsiveness. Antecedents of value creation at the meso level for SE2 included goodwill, and a trusted brand. Goodwill was enabled through co-engagement mechanisms. This was achieved by allocating time for discussions on areas of mutual interest, which developed trust and enabled shared expertise and resources across the SE2 network.

*“We spent a lot of time with him [partner] trying to see what we could learn about that [social impact], so they’ve been very generous in time and in spirit and hopefully we have been likewise” (CEO, 01 SE2).*

It was identified that the constitutional status of the Social Enterprise partner of the SE2 network enabled the co-creation of reputational gains through co-promotional mechanisms.

*“We’re a social enterprise and our brand is quite well known and trusted for householders and we’ve all been here for quite a long time so we’ve got a lot of experience in the field which adds to the level of value” (Staff 02, SE2).*

At the macro level, relationships were found to be an antecedent of value creation for the ISN and SEI networks (see Table 3). A participant of the ISN network reported that co-engagement platforms including consultation events with the funder, enabled partners comprising the ISN network to share their specialist expertise and knowledge. These co-

engagement platforms were also used to inform and influence service commissioning arrangements and new disability strategies at government level to create jobs and tackle stigma.

*“It’s their [ISN network] knowledge, the professionalism, the expertise, the trust and accountability and their overarching ability to work together...their remit as disability sector organisations shaping how the disability strategy is going to look is vital”* (Funder 02).

Stakeholder relationships helped to cumulatively build relational value and consequently led to the achievement of both the funder’s strategic targets and regional government targets (see Table 3).

*“The Department has its own balanced scorecard and taking that up a level, there’s the draft Programme for Government and delivery plan so the outcomes of the network are helping us to achieve the outcomes in the delivery plan”* (Funder, 02).

Furthermore, forming and building effective relationships enabled the SE1 network to co-create value at the macro level. Co-engagement events allowed the sharing of recommendations and testimonials with wider stakeholders and consequently led to additional contract work and jobs for people with a disability.

*“Recommendations have worked well for us, because we’ve been able to develop relationships with companies like Bombardier and Brett Martin for sample making, by showing that we are carrying that out to a high standard with [partner organisation] and so that gains work back and helps us create jobs”* (CEO, 03).

Participants from the SN2 network confirmed that strategic collaboration, enabled through co-engagement mechanisms such as joint lobbying arrangements, was an antecedent of value creation at the macro level.

*“From a strategic level around energy, I’m meeting with [partner] soon and one of the issues I will be discussing with him is independent advice...that’s one of government’s priorities ~~and~~ that we will be lobbying government on now”* (SN2, Director).

#### 4.2.3 Antecedents and mechanisms of value delivery

The findings indicated that the antecedents of value delivery were differentiated across the SPO value networks and at different levels of context (see Table 3). For example, the shared specialist expertise of the ISN network was an antecedent of value delivery at the micro level. Co-production mechanisms, including joint training and development events, were found to enhance the capacity of staff within the ISN network. Acquiring new skills enabled them to deliver services beyond the narrow boundary of their organisational specialism. The sharing of specialist expertise across staff facilitated the co-ordination of tailored supports aligned to service user needs. Co-training and conjoined working arrangements enabled an understanding of issues such as how to communicate with deaf individuals.

The findings from the SE1 network revealed that seeking product and service quality represented an antecedent of value delivery at the micro level (see Table 3). This was enabled through co-improvisation mechanisms, including bi-lateral communications to resolve problems jointly. By undertaking an in-depth analysis of customers profiles and seasonal fluctuations in product demand, the SE1 network was able to fine tune processes to better cope with seasonal trends and guarantee customer reliability.

*“Since we did that analysis, I honestly cannot remember one incident where we’ve been out of a stock colour since introducing that system. That means that they [partner] are not letting their customers down”* (CEO, SE1).

The findings also suggested that reciprocity was an antecedent of customer value delivery for the SE2 network. Co-experience mechanisms enabled partner organisations to

deliver and receive training that raised staff's knowledge and understanding of their partner's services and resources. Through co-delivery mechanisms, partners within the SE2 network were able to refer and/or signpost customers to respective partners for advice and access to resources.

At the meso level, the ISN network's legitimacy with the funder represented a key antecedent of value delivery. For example, co-engagement mechanisms including strategic consultations enabled access to a representative forum of disability organisations. This created value for the funder in the form of policy level consultations, and aided the networks reputation by strengthening their strategic alignment with government policy. Smaller organisations within the ISN network also benefited through increased income and market share.

Considering the SEI network, reduced stigma was reported to be an antecedent of value delivery at the meso level (see Table 3). SI network members used co-improvisation mechanisms to agree the reasonable adjustments which support people with disabilities in the workplace. The findings suggested that shared resources were an antecedent of value delivery at the meso level, which allowed them to deliver superior service to customers.

At the macro level, ISN and SE2 network members identified that their overlapping goals regarding maximising social and economic impact was an antecedent to embed co-value delivery (see Table 3). This was achieved by co-accountability mechanisms, which included the development of joint monitoring and reporting arrangements.

*“Numbers are important but it shouldn't be a numbers game. It's about the quality and about how much the programme is helping people to achieve what we actually want it to achieve and the fact that so many people are being able to retain their jobs is wonderful” (ISN, Funder 01)*

It was reported that tackling inequalities, including poverty, through co-promotional mechanisms united the interests of partners of the SE2 network and consequently represented



antecedents of value delivery at the meso level. The SE2 network had a custodial role, where through their participation in co-maintenance mechanisms, they were able to form a united front when lobbying government in the interests of safeguarding vulnerable householders from paying excessive amounts for energy.

The findings also identified that public sector recognition was an antecedent of value delivery at the macro level for the SEI network (see Table 3). Aligned interests relating to contributing to community projects, and a strong commitment to corporate social responsibility, enabled the SEI network members to collectively lobby government. This collective action was aimed at influencing social clauses in public sector contracts that would favour Social Enterprises.

*“The first step of getting business is for us to influence what’s going on around us now in terms of getting social clauses in public procurement....the public sector are now seeing social clauses as a way to gain added value from their contracts and we have to remember that the public sector spend more money on goods and services than anyone else” (CEO, SEI).*

#### *4.2.4 Antecedents and mechanisms of value capture*

As shown in Table 3, satisfying stakeholder expectations was an antecedent of value capture in the ISN network at the micro level. This was enabled through a range of co-evaluation mechanisms including customer testimonials, satisfaction surveys and rigorous monitoring and reporting arrangements. Customer satisfaction was influenced by the SE2 network’s ability to provide responsive and tailored energy efficiency services that generated savings and improved the quality of life for customers.

*“We have information on the range of grants and cash back so there’s a financial incentive because someone can get a grant to improve their loft insulation or a grant to get a new heating system in and that makes a huge contribution to someone’s life”* (02 Staff, SE2 network).

Securing employment for people with disabilities also represented an antecedent of value capture for the SEI network at the micro level.

Value capture at the meso level (see Table 3) was achieved through forming their value networks. For example, the ISN network organisations identified that by collaborating with each other, they increased their market share through brand raising practices and increased testimonials. By forming a value network, the ISN and SE2 networks were able to exploit their collective expertise and present a unified voice to influence changes within the disability sector and energy sector respectively.

*“We try to have an influence on the sector and that is challenging but the fact that we are a successful consortium does give us some influence”* (Manager 03, ISN).

Increased profits were also found to be an antecedent of value capture for the SEI network (see Table 3). Through working collaboratively, they were able to increase income generation, and these increased profits were used to offset the administration costs of operating within a value network.

*“When I arrived our turnover a year was £18K with [our partner] and now it’s over £100K so it’s given us anywhere between £8K and £10K a month of income which enables us to keep people in employment but also profit that enables us to run some of our other initiatives”* (CEO, SEI).

Finally, being able to evidence social and economic impact was a key antecedent of value capture for the SPO networks at the macro level. This was enabled through co-dissemination and co-evaluation mechanisms (see Table 3). For example, a participant of the

ISN network reported that the collaboration of network partners enabled more impactful strategic consultations. These consultations enhanced government's knowledge and understanding of the real issues that impact the lives of people with disabilities. By innovating their business models, the SPOs reported that they were able to make more impactful quality of life improvements to vulnerable individuals. Overall, it was evident that the SPOs had to significantly innovate their business model in respect to the different activities they carried out, and how these activities were conducted. Based on this they had to make changes to their value capture mechanisms, in order to participate effectively in a value network and ensure VCC across the network.

## **5. Discussion and Conclusions**

This research set out to explore how SPOs innovate their business models in order to engage in VCC through a value-network. Prior studies largely theorise how VCC happens, whereas this research provides empirical evidence demonstrating the resources, mechanisms and processes needed to enable VCC from multiple levels of context (Alves et al., 2016) and in doing so answers our two research questions. Understanding how context shapes and influences the exchange of resources and the interactions of stakeholders in an SPO network is important, yet complex. First, the co-creation of value through multi-stakeholder exchange implies extensive boundary expanding activities and mechanisms that need to be understood if BMI is to be successful. However, the collective influence of multiple stakeholders' involvement in service-for-service exchanges in a network context has been understudied (Chandler and Vargo, 2011; Lusch and Webster, 2011; Frow et al. 2015). Second, dual social and economic institutional logics differentiate SPOs from commercial organisations (Kullak et al., 2021) and present complexities for successful BMI (Weerawardena et al., 2021). While theoretical studies suggest that value created at one level is then embedded in successive levels

(e.g. Vargo and Chandler, 2011), the antecedents and mechanisms that enable this in practice, remains underspecified (Frow et al., 2015). The findings of this study unravelled the complexities of embedding VCC across different levels of context (micro, meso and macro) and unravelled a number of antecedents and mechanisms which exists across the different levels (see table 3). We highlight the different dimensions of VCC which need to be considered when SPOs are innovating their business model to operate within a value network. Consequently, our findings advance SDL and SPO business model literature through illustrating how SPOs can work systematically with stakeholders to co-deliver value beyond traditional firm-centric perspectives (Kullak et al., 2021).

We also add to both SDL and SPO BMI literatures by identifying the importance of considering ‘value-in-context’ (Chandler and Vargo, 2011). Akaka and Parry (2019) identify that value-in-context consists of multiple levels of context and dimensions of value, making operationalization difficult. However, by zooming out beyond a micro-orientation to examine VCC from a meso and macro perspective (as encouraged by Vargo, 2008; Chandler and Vargo, 2011), we illustrate how the dynamics of multi-stakeholder exchanges and interactions influence VCC at different levels of context and across different dimensions. Prior research reflects that actors in an actor-to-actor network are not alike (Vargo, 2018), have generic roles (Ekman et al., 2016), and suggest that different value propositions can impact the “*plasticity*” or the ability of a network to adapt (Chandler et al., 2019, p. 76). Our study provides new insights by identifying mechanisms for each VCC dimension that enable actors who are not alike to integrate resources with other actors through actor-to-actor exchanges within networks. Our insights conceptualise BMI beyond the limitations of a transactional framework, by recognising the relational importance of actor-to-actor ties and bonds in the VCC process. Our findings suggest that during SPO BMI, the pluralism of logics (Pache and Santos, 2010) create different mechanisms for value creation and value capture. These joint mechanisms elevate the

legitimacy of the networked SPOs, enabling them to use their collective expertise to influence sectoral changes and policy development. Through our findings, we provide new empirical insights into the co-ordinating mechanisms of VCC, which has to date have been discussed largely at a theoretical level (e.g. Saarijärvi et al., 2013; Gummesson and Mele, 2010) and/or in dyadic contexts (e.g. Hein et al., 2019; Kohtamäki and Rajala, 2016).

We also contribute to prior research on SDL which suggests that all stakeholders are “*resource interrogators*” (Vargo and Lusch, 2016, p. 27) who contribute to the co-creation of value as well as the context through which value is derived (Akaka et al., 2013). As service is created through a range of stakeholders involved in a range of activities, our research identifies that the reality of VCC is that there is a need to embrace the needs and wants of all stakeholders. This aligns towards what Gummesson (2008, p. 17) describes as “*balanced centricity*”, which requires multi-way communication channels. Our findings identify a wide range of communication platforms and mechanisms at different levels. These show how balanced centricity in a network is influenced by stakeholder relationships, interactions, and experiences that oscillate between contexts.

Our findings reflect a number of antecedents and mechanisms of VCC that overlap different levels of context and different VCC dimensions across the SPO’s business models. By providing empirical examples of the VCC mechanisms which were collectively useful across the three value network case studies, we extend prior studies (e.g. Saarijärvi et al., 2013; Gummesson and Mele, 2010) and respond to calls for a better understanding of VCC mechanisms (Frow et al., 2015) that are an important part of “*the architecture of participation*” (O’Reilly, 2003) within an SPO network. We demonstrate how particular antecedents and mechanisms are important at different levels of context. For example, we found trust to be an overlapping sub-dimension at the meso and micro levels of context. This aligns with prior research, where authors such as Neghina et al. (2015) identify trust to be an antecedent to VCC.

However, our study also extends existing research by providing multi-level evidence that trust at the micro level oscillates and influences trust at the meso level. For example, we found that goodwill, which was an antecedent of value creation at the meso level, was enabled through trusted relationships and discussions between partners of the network. Goodwill at the meso level was influenced by staff's ability at the micro level to offer impartial advice through trust in the use of shared resources.

We extend understanding of the wide range of VCC mechanisms within an SPO network and how they oscillate at different levels of context. This provides new insights on how to maximise stakeholder engagement, align diverse logics, and sustain long-term relationships. We found that there is a need for stakeholder interdependencies across VCC dimensions and levels of aggregation which created a “*dynamic order*” (Vargo, 2018) that reinforces the importance of context as a frame for understanding VCC (Enquist et al., 2015). Consequently, our findings advance traditional SDL orientations by illustrating the need to examine levels of aggregation heterogeneously rather than independently (Chandler and Vargo, 2011; Vargo, 2018). By adopting an analytical, oscillating focus-approach across multiple levels of analysis, we extend research on value networks (Vargo and Lusch, 2017). Moreover, we contribute an understanding of the challenges and enablers of complex stakeholder integration within business models (Foss and Saebi, 2018; Spieth et al. 2014; Weerawardena et al., 2021).

Furthermore, our findings contribute to new knowledge on how co-ordinating mechanisms at the micro, meso, and macro levels in the SPO networks impact an individual actor's relationship and behaviour with other actors in the network. This is then crucial to the attainment of positive benefits at the individual and the collective level. Highlighting two important examples, we show how co-maintenance mechanisms align the interests and behaviour of actors at micro and meso levels. For example, seeking justice when lobbying

government to protect vulnerable adults from excessive energy costs. Our findings also reflect that customer centricity and acting ethically at the micro level to serve the interests of customers, helps unite the value propositions of stakeholders in SPO value networks at the meso level. To date there is only limited research explaining customer centricity at different levels of analysis in a network context. Our research contributes to new insights by illustrating that customer centricity aligned the different SPOs business models and enabled co-joined interventions and solutions to be deployed to address the complex needs of beneficiaries. This was achieved through boundary spanning and cross-functional working amongst staff, leveraging their specialist knowledge and expertise. The findings reflect the criticality of a customer orientation (Shah et al., 2006; Gummesson, 2008; Lamberti, 2013) in the co-creation of value. Building upon the work of Lusch and Webster (2011). Our study also contributes to understanding the normative behaviours and approaches that help identify and support customer needs. These include trust, openness, honesty, and the adoption of a service user approach. For example, considering the value creation dimension, we show interdependencies between shared specialist expertise of partner organisations comprising the network at the meso level and the realisation of customer expectations at the micro level.

Our research provides new insights into SPO BMI by illustrating that SPO engagement in BMI is not only externally driven through a need to secure income and enhance efficiencies; but is motivated by internal factors central to the SPOs mission. These included the creation of employment opportunities and enhanced customer services. Extending research by Kulluk et al. (2021), it was identified that SPOs faced complexity in the alignment of internal and external motives and value processes. For example, the findings illustrated that external motives including the potential to secure greater levels of income, united the interests of stakeholders, but also presented competition risks that need to be mitigated.

Finally, the findings illustrate the dynamic, complex and collaborative processes needed for SPOs to innovate their business models to engage in value networks. Our research provides new insights into the complexity of ensuring that social elements central to an SPOs mission (Bocken et al., 2014; Sabatier et al., 2017) are maintained when engaging in BMI. We identify three heterogeneous value logics important across a multi-level SPO network context. First, our findings reflect examples of commercial value logics (Laasch, 2018; Spieth et al., 2019), for example, impact demonstration, market share, professionalization, and improved competitiveness. Second, we find examples of social welfare logics (Mair et al., 2015) to show how social challenges are resolved through shared values and customer centricity across the levels. Third, our findings illustrate dialogical communications, joint training, and cross-functional team working as examples of relational logic (Pellicano et al., 2018). By showing how the dynamic and interdependent roles of stakeholders with diverse value logics create value for themselves and other stakeholders, we make the business model concept more purposeful for SPOs who have dual social and economic goals.

### **5.1 Implications for Policy and Practice**

Our findings lead to several policy and practice contributions. From a policy perspective, we show how superior social value can be delivered through the formation of SPO networks leading to greater economic value. Our research suggests that SDL provides an appropriate framework informing public policy (Osborne, 2018). We also illustrate the importance and value of public policy makers adopting a network perspective to understand markets (Vargo, 2018) and to enhance social impact. The findings provide evidence that more open and network based SPO business models can improved welfare reform, enhancing social inclusion and justice, reduce poverty, and aid workplace diversity.



Our findings have implications for SPO managers and their operations. We enhance understanding of how they can embed VCC into their business models at different aggregate levels. We illustrate how SPO managers can simultaneously run their core existing activities whilst also engaging in value networks (in effect running dual business models). We provide evidence that superior value can be accrued from SPOs engaging in value networks which ultimately will improve the wellbeing of vulnerable groups and aid SPO sustainability. Our study also offers insights for a wide range of regional stakeholders seeking to reduce costs and deliver superior value. We illustrate the opportunities of strategic alignment with inter-sectoral and cross-sectoral organisations who have both complementary and competing business models, which will create opportunities for networked based business models.

## **5.2 Limitations and Future Research Agendas**

This research has some limitations which leads to opportunities for future research. First, from a methodological perspective, the current contributions could be further developed and enriched by using further case studies of inter-sectoral and cross-sectoral collaboration, particularly in different national and international contexts. Additional cases will enable opportunities for further theory development through contextual explanation (Plakoyiannaki and Budhwar 2021) which can aid generalisability. Second, whilst this research is one of few studies which has explored networked-based business models in SPOs, it is acknowledged that there may be limitations with retrospective bias from case respondents. Therefore, it is suggested that future research should pursue longitudinal studies to examine in real time how SPOs innovate their business models to operate within VCC networks. We suggest that ethnographic methods with multiple observations would enable rich contextualised data collection. Third, it is suggested that future research could adopt a quantitative methodology to test relationships between constructs relating to the antecedents and dimensions of VCC within

SPO BMI, which would further aid theory development. Fourth, further research is needed to expand knowledge on the relationship dynamics of VCC at aggregate levels of context across different types of SPO networks. Fifth, with the increased digitisation of organisations and their business models, future research should explore SPOs technological capabilities and how technology may be embedded into their business models to aid their engagement in VCC with multiple stakeholders (Boucken et al. 2021). Finally, conceptualisation of business models within value-networks is still embryonic, where new business models are emerging which are increasingly networked e.g. platform-based business model and ecosystem-based business models. Further research is also needed to explore how business model designs differ within networked contexts. For example, what conditions are conducive to developing and managing complex networked business models? What roles do different actors have in ensuring the effectiveness of networked business models? How do networked business models interact and embed themselves within ecosystems? This will require new theoretical lenses, where we suggest complexity theory and system perspectives may provide valuable insights.

## **7. Acknowledgements**

This research was funded by a British Academy/Leverhulme Grant Award.

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Table 1 Distinguishing features of three SPO networks

**Case study 1 (1SN)**

<b>Geographical remit of partner organisations</b>	<b>Sector and purpose</b>	<b>Size</b>	<b>Primary Customers</b>	<b>Respondent role</b>	<b>Key responsibilities</b>
National	<b>Social Purpose Organisation (SPO) providing help, support and tools to help people with sight loss to realise their ambitions.</b>	200+ employees	People with slight loss	Employment Manager Scotland and NI	Oversee contract delivery; compliance, performance management; marketing and improvement
National	<b>SPO providing support and communication services to people who are deaf, and those with a hearing loss or tinnitus.</b>	200+ employees	Deaf/Hearing impaired	Employment Support Officer	Design and delivery of tailored services to people with disabilities; employer mediation.
National	<b>SPO providing practical support services for children, young people and adults with a learning disability and their families and carers.</b>	200+ employees	Learning disability	Project Manager – Direct Services	Oversee contract delivery; compliance; performance management; marketing and improvement
Regional	<b>SPO providing services to help support individuals and families living with disability, autism and brain injury to live the lives they choose.</b>	200+ employees	Physical disability, brain injury and autism	Head of Employability Services	Co-lead partner of consortium; leadership on delivery, compliance, performance management; continuous improvement and marketing.
Regional	<b>SPO providing services that support adult, children and young people to enjoy positive mental health and wellbeing.</b>	100-199 employees	Mental health	Employment Officer	Design and delivery of tailored services to people with disabilities; employer mediation.
Local	<b>SPO providing support services that enable people with learning disability or autism to live, learn and work.</b>	20-99 employees	Learning disability	Programme Manager	Oversee contract delivery; compliance, performance management; marketing and improvement

Local	<b>SPO supporting people with a learning disability into employment, training and volunteering.</b>	20-99 employees	Learning disability	Employment Support Officer	Design and delivery of tailored services to people with disabilities; employer mediation
Regional	<b>Government agency (Funder) responsible for economic policy, skills training and good employment practice.</b>	10 employees	People with disabilities and contracted organisations	Senior Manager	Contract compliance and governance;
				Principal Occupational Psychologist	effective support interventions and outcomes for people with disabilities
				Administrator	Employee supervision and mentoring

### Case study 2 (SE1)

<b>Geographical remit of partner organisations</b>	<b>Sector and purpose</b>	<b>Size</b>	<b>Primary Customers</b>	<b>Respondent role</b>	<b>Key responsibilities</b>
Local	<b>SPO supporting people with disabilities, health conditions and social disadvantage into meaningful employment</b>	20-99 employees	Learning disability and mental health	CEO	Organisational sustainability; people management; contract negotiation
				Finance Manager	Budgeting; invoicing; pricing and financial management
				Employee (samples)	Quality assurance; compiling sample boards
				Employee (samples)	Compiling sample boards
National	<b>Private sector organisation that quarries ornamental and building stone, limestone, gypsum, chalk and slate.</b>	100-199 employees	Homeowners and construction companies	Marketing Manager	Branding, marketing; promotions; customer relationship management.

Case study 3 (SE2)

Geographical remit of partner organisations	Sector and purpose	Size	Primary Customers	Respondent role	Key responsibilities
Regional	<b>SPO taking action to tackle fuel poverty and reduce carbon emissions.</b>	200+ employees	Householders and senior citizens	Director	Operational responsibility for energy services
				Manager (referrals)	Home safety checks; energy improvements
				Manager (projects)	Customer advice on energy savings; benefit entitlement and budgeting
				Manager (compliance)	Contract compliance
Regional	<b>Public Sector organisation informing consumer policy, legislation and regulation and educating consumers to help them make informed choices.</b>	20-99 employees	Householders and businesses	CEO	Leadership and governance of core consumer services; staff management

Table 2: Factors influencing changes within SPO business models

Factors influencing changes within SPO business models	Characteristics of the operating environment	Implications for SPOs
1. Opportunities to secure income	1. Competition - Collaborate or compete for a finite number of resources  2. Capability - Anticipate and deliver cost effective service requirements	- Demonstration of outcomes and impact - Cuts in public expenditure - Evidencing quality - Corporate social responsibility - Testimonials - Risk management - Prime contractor model

	<ul style="list-style-type: none"> <li>- Financial capabilities and resource capacity</li> </ul> <p>3. Sustainability</p> <ul style="list-style-type: none"> <li>- Work generation</li> <li>- Cost apportionment</li> <li>- Contribution to other services</li> </ul>	<ul style="list-style-type: none"> <li>- Larger contracts</li> </ul>
2. The creation of employment opportunities	<p>1. Stigma and inequalities</p> <ul style="list-style-type: none"> <li>- Social and economic exclusion</li> <li>- Attitudinal shifts</li> </ul> <p>2. Supported employment</p> <ul style="list-style-type: none"> <li>- Progression</li> </ul>	<ul style="list-style-type: none"> <li>- Pan disability approach</li> <li>- Disability awareness training</li> <li>- Accountability for contractual target delivery</li> </ul>
3. Opportunities to improve efficiencies	<p>1. Quality recognitions</p> <ul style="list-style-type: none"> <li>- Kitemarks</li> <li>- Sub-contracting requirements</li> </ul> <p>2. Ideas and solution generation</p> <ul style="list-style-type: none"> <li>- Eliminating pain points</li> </ul> <p>3. Added value demonstration</p> <ul style="list-style-type: none"> <li>- More with less</li> <li>- Economies of scale and scope</li> <li>- Less duplication</li> </ul>	<ul style="list-style-type: none"> <li>- Resource access and integration</li> <li>- Streamline processes</li> </ul>
4. Enhanced customer services	<p>1. Improved quality of life</p> <ul style="list-style-type: none"> <li>- Social inclusion</li> <li>- Employability</li> <li>- Tailored customer support and impartial advice</li> <li>- Reduce poverty</li> </ul> <p>2. Process improvement</p> <ul style="list-style-type: none"> <li>- Entrepreneurism</li> <li>- Streamline processes</li> </ul>	<ul style="list-style-type: none"> <li>- Just and independent advice</li> <li>- Shared expertise and resources</li> <li>- Responsive to complex needs of customers</li> <li>- Shared values</li> <li>- Mission attainment</li> </ul>

Table 3: Antecedents and mechanisms of dimensions of value co-creation in SPO value networks at different levels of context

		VCC Antecedents			Mechanisms
		Case study 1 (ISN)	Case study 2 (SE1)	Case study 3 (SE2)	Across All Cases
Value Proposition	Micro level	<ul style="list-style-type: none"> <li>▪ <b>Customer centricity</b></li> <li>- Relationships and engagement</li> <li>- Clarifying expectations</li> <li>- Doing the right things</li> <li>- Specialist expertise</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Employment creation</b></li> <li>- Jobs</li> <li>- Reduced stigma</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Customer centricity</b></li> <li>- Seamless advice</li> <li>- Information and support</li> <li>- Saving money</li> <li>- Protecting the customer</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-engagement</b></li> <li>- Clarifying customer expectations</li> </ul>
	Meso level	<ul style="list-style-type: none"> <li>▪ <b>Improved competitiveness</b></li> <li>- Evidencing quality</li> <li>- Performance outputs</li> <li>- Cost efficiencies</li> <li>- Income</li> <li>- Model of practice</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Business opportunities</b></li> <li>- Contract work</li> <li>- Pricing</li> <li>- Proposals</li> <li>- Professionalism</li> <li>- Joint quality accreditation</li> <li>▪ <b>Shared values</b></li> <li>- Trust</li> <li>- Honesty</li> <li>- Quality</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Improved competitiveness</b></li> <li>- Winning tenders</li> <li>▪ <b>History of working together</b></li> <li>- Trust</li> <li>▪ <b>Governance</b></li> <li>- Accountability</li> <li>- Mandatory requirement</li> <li>- Mutual benefit</li> <li>▪ <b>Shared values</b></li> <li>- Trust</li> <li>- Openness</li> <li>- Honesty</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-experience</b></li> <li>- History of working together</li> <li>- Evidencing quality and performance</li> <li>▪ <b>Co-accountability</b></li> <li>- Fulfilling mandatory requirements</li> <li>- Governance</li> <li>- Representative structures.</li> </ul>
		<ul style="list-style-type: none"> <li>▪ <b>Shared values</b></li> <li>- Normative principles</li> <li>- Core beliefs</li> <li>- Instrumental values</li> <li>▪ <b>History of working together</b></li> <li>- Diversity</li> <li>- Mission attainment</li> <li>- Pan disability approach</li> <li>- Trust</li> <li>▪ <b>Marketing</b></li> <li>▪ <b>Shared knowledge</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Relationships</b></li> <li>- Representative structures</li> <li>- Persuasion</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Shared Cause</b></li> <li>- Shared core values</li> <li>- Energy conservation</li> <li>- Trust</li> </ul>	

	Macro level	<ul style="list-style-type: none"> <li>▪ <b>Impact demonstration</b></li> <li>- Social impact</li> <li>- Economic impact</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Sustainability</b></li> <li>- Sustained income</li> <li>- Growth</li> <li>- Fulfilling partner needs</li> <li>- Leadership</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Impact demonstration</b></li> <li>- Social impact</li> <li>- Economic impact</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-dissemination</b></li> <li>- Impact demonstration</li> <li>▪ <b>Co-engagement</b></li> <li>- Strategic engagement</li> </ul>
		<ul style="list-style-type: none"> <li>▪ <b>Changing stakeholder expectation</b></li> <li>- Influence</li> <li>- Shifting roles</li> <li>- Shifting priorities</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Meeting partner expectations</b></li> <li>- Vested interests and goals</li> <li>- Scaling</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Efficiencies</b></li> <li>- Energy efficiency targets</li> <li>- Customer protectionism</li> <li>- Strategic engagement</li> <li>- Problem-solving</li> </ul>	
<b>Value creation</b>	Micro level	<ul style="list-style-type: none"> <li>▪ <b>Realistic goals</b></li> <li>- Challenging realities</li> <li>▪ Realising customer expectations</li> <li>▪ Service user approach</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Entrepreneurialism</b></li> <li>- Securing work activities</li> <li>- Income generation</li> <li>- Creation of employment</li> <li>▪ <b>Support</b></li> <li>- Training</li> <li>- Empathy</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Impartiality</b></li> <li>- Independent advice</li> <li>- Trust</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-delivery</b></li> <li>- Training support and advice</li> <li>- Challenging realities</li> <li>▪ <b>Co-engagement</b></li> <li>- Challenging realities</li> </ul>
	Meso level	<ul style="list-style-type: none"> <li>▪ <b>Professionalisation</b></li> <li>- Kitemarks</li> <li>- Quality standards</li> <li>▪ <b>Specialist expertise</b></li> <li>- Service user knowledge</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Processes</b></li> <li>- Streamlining</li> <li>- Quality products</li> <li>- ISO 9001</li> <li>- Expertise</li> <li>▪ <b>Diversification</b></li> <li>- Products and services</li> <li>- More jobs</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Goodwill</b></li> <li>- Shared expertise</li> <li>- Trust</li> <li>- Time</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-design</b></li> <li>- Streamlining</li> <li>- ISO 9001</li> <li>- New systems development</li> <li>▪ <b>Co-engagement</b></li> <li>- Shared knowledge, expertise, and evidence</li> </ul>
		<ul style="list-style-type: none"> <li>▪ <b>Resource acquisition</b></li> <li>- A quality orientation</li> <li>- Strategic alignment</li> <li>- Competitive tender</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Customer service</b></li> <li>- Responsiveness</li> <li>- Reliability</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Trusted brand</b></li> <li>- Constitutional status</li> <li>- Reputation</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-accountability</b></li> <li>- Shared decision-making</li> <li>▪ <b>Co-promotion</b></li> <li>- Professional kitemarks</li> </ul>

					- Marketing events
	Macro level	<ul style="list-style-type: none"> <li>▪ <b>Relationships</b></li> <li>- Informing strategy</li> <li>- Strategic targets</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Relationships</b></li> <li>- Recommendations</li> <li>- Quality service</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Strategic collaboration</b></li> <li>- Problem-solving</li> <li>- Solution focus</li> <li>- Lobbying</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-engagement</b></li> <li>- Consultation events</li> <li>- Bi-lateral discussions</li> <li>- Lobbying</li> </ul>
<b>Value delivery</b>	Micro level	<ul style="list-style-type: none"> <li>▪ <b>Shared, specialist expertise</b></li> <li>- Specialist knowledge</li> <li>- Joint training</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Product and service quality</b></li> <li>- Customer profiling</li> <li>- Seasonality</li> <li>- Fine tuning processes</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Reciprocity</b></li> <li>- Seamless customer service</li> <li>- Customer referrals</li> <li>- Signposting</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-production</b></li> <li>- Joint training</li> <li><b>Co-experience</b></li> <li>- Shared expertise</li> <li>- Training</li> <li><b>Co-improvisation</b></li> <li>- Problem solving</li> <li><b>Co-delivery</b></li> <li>- Signposting customers</li> <li>- Co-joined working arrangements</li> </ul>
	Meso level	<ul style="list-style-type: none"> <li>▪ <b>Increased legitimacy</b></li> <li>- Representative voice</li> <li>- Monetary gains</li> <li>- Improved strategic alignment with government strategy</li> <li>- Reputational gains</li> <li>- Trust</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Reduced stigma</b></li> <li>- Reasonable adjustments</li> <li>- Integration</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Shared resources</b></li> <li>- Resources</li> <li>- Specialist knowledge and expertise</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-engagement</b></li> <li>- Strategic consultations</li> <li>▪ <b>Co-improvisation</b></li> <li>- Dialogical communication</li> <li>▪ <b>Co-exchange</b></li> <li>- Online platforms</li> <li>▪ <b>Co-accountability</b></li> <li>- Monitoring and reporting</li> </ul>



	Macro level	<ul style="list-style-type: none"> <li>▪ <b>Economic and social impact</b></li> <li>- Contract compliance</li> <li>- Outputs</li> <li>- Social impact</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Public sector recognition</b></li> <li>- Ethics</li> <li>- Corporate Social Responsibility</li> <li>- Social clauses</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Economic and social impact</b></li> <li>- Tackling inequalities</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-accountability</b></li> <li>- Contract compliance</li> <li>▪ <b>Co-promotion</b></li> <li>- Lobbying</li> <li>▪ <b>Co-maintenance</b></li> <li>- Procedural justice</li> </ul>
<b>Value capture</b>	Micro level	<ul style="list-style-type: none"> <li>▪ <b>Satisfied stakeholder expectations</b></li> <li>- Relational interests</li> <li>- Outputs</li> <li>- Processes and enablers</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Employment</b></li> <li>- Social inclusion</li> <li>- Realising aspirations</li> <li>▪ <b>Feedback</b></li> <li>- Bi-lateral communication</li> <li>- Problem-solving</li> <li>- Testimonials</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Satisfied customer expectations</b></li> <li>- Responsiveness to need</li> <li>- Energy efficiency savings</li> <li>- Quality of Life improvements</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-evaluation</b></li> <li>- Stakeholder satisfaction</li> <li>- Feedback generation</li> <li>- Testimonials</li> <li>- Performance monitoring and reporting</li> </ul>
	Meso level	<ul style="list-style-type: none"> <li>▪ <b>Market share</b></li> <li>- Profile raising</li> <li>▪ <b>Influence the sector</b></li> <li>- Unified voice</li> <li>- Collective expertise</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Profitability</b></li> <li>- Income generation</li> <li>- Contribution to other initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Influence the sector</b></li> <li>- Unified voice</li> <li>- Collective expertise</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-promotion</b></li> <li>- Brand raising</li> <li>- Testimonials</li> </ul>
	Macro level	<ul style="list-style-type: none"> <li>▪ <b>Impact demonstration</b></li> <li>- Lobbying collective interests</li> <li>- Evidencing social and economic impact</li> <li>- Quality of Life</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Impact demonstration</b></li> <li>- Evidencing social and economic impact</li> <li>- Quality of Life</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Impact demonstration</b></li> <li>- Evidencing social and economic impact</li> <li>- Quality of Life</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Co-dissemination</b></li> <li>- Strategic consultation</li> <li>- Lobbying</li> <li>- Impact demonstration and reporting</li> <li>- Performance reporting</li> <li>▪ <b>Co-evaluation</b></li> <li>- Social return on investment.</li> </ul>

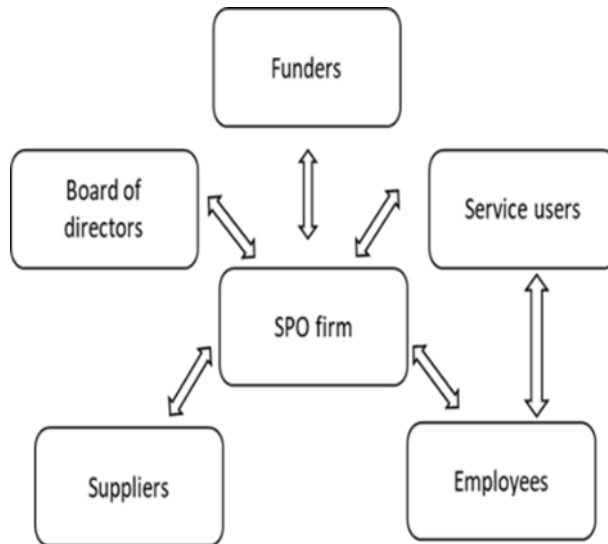


Figure 1. Traditional silo focused business model

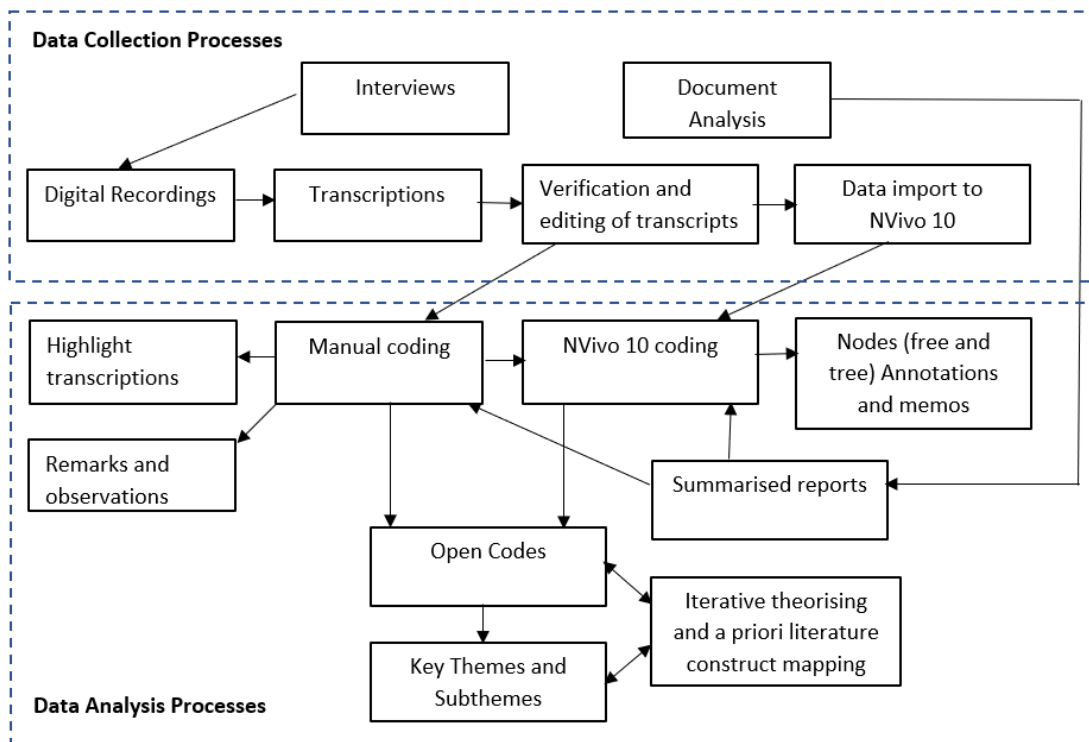
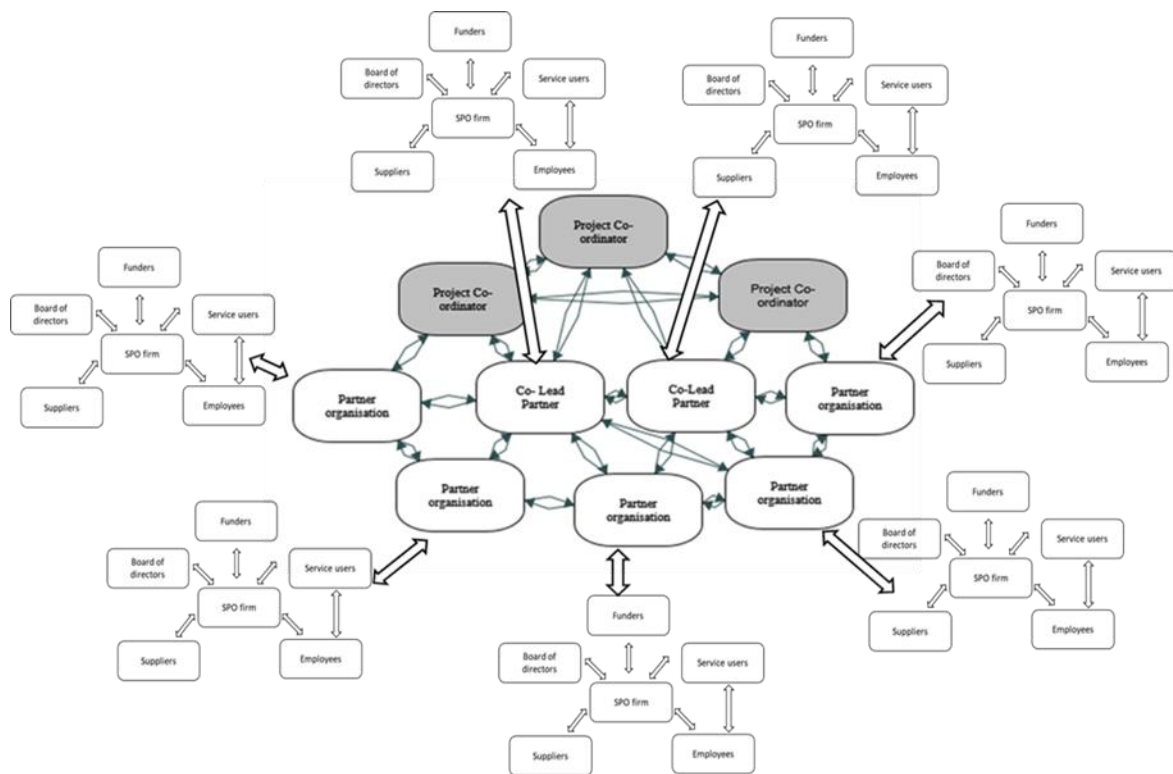
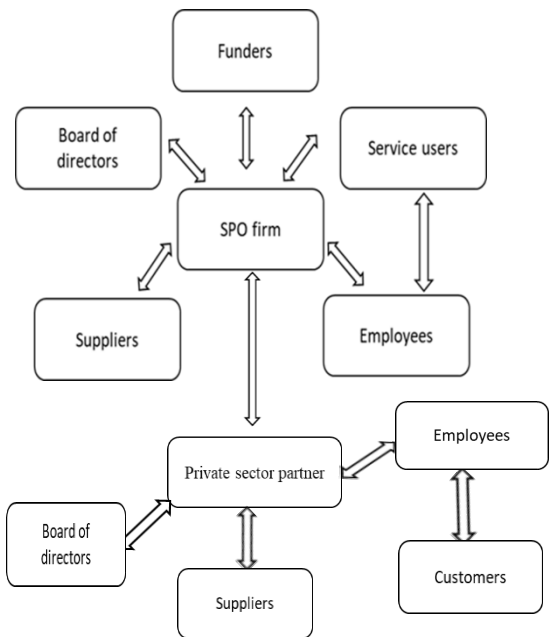


Figure 2. Data collection and analysis process

### Case study 1 (ISN)



### Case study 2 (SE1)



### Case study 3 (SE2)

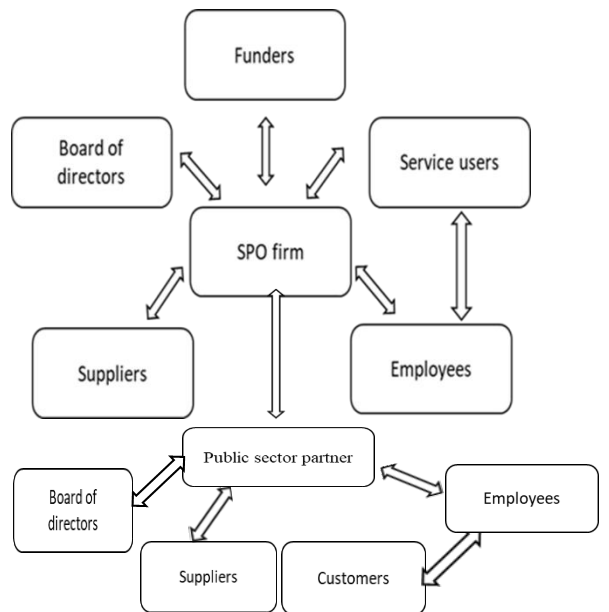
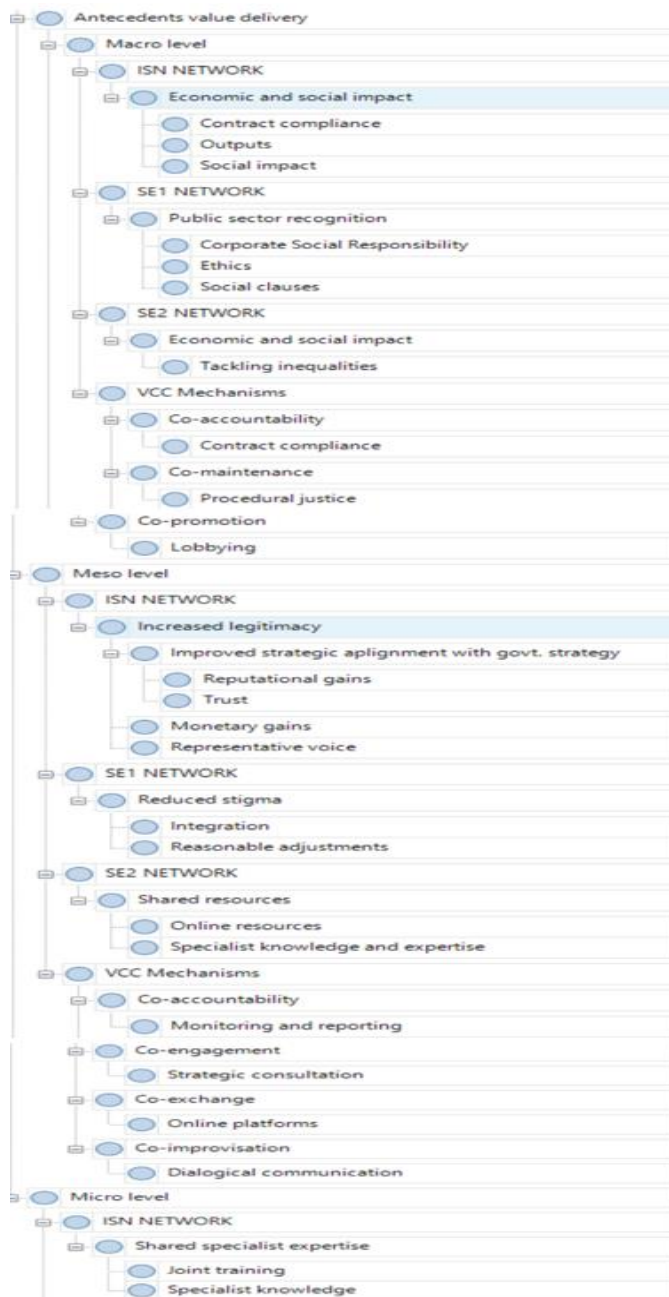


Figure 3. SPO value network configurations

Appendix 1: Coding process used for Value Delivery using NVivo 12



Appendix 2: Proof quotes of antecedents of dimensions of value co-creation at three levels of context

		VCC Antecedents		
		Case study 1 (ISN)	Case study 2 (SE1)	Case study 3 (SE2)
Value proposition	Micro level	<ul style="list-style-type: none"> <li><b>Customer centricity</b> “It’s about making sure that the outcomes are reached in the right way.....so that the service user is managed according to their particular needs” (CEO, 03)</li> </ul>	<ul style="list-style-type: none"> <li><b>Employment creation</b> “They (the partner) provide work knowing that we have a very good capability and we’ve processes and practices in place to deliver the highest possible success...they (the partner) see us as the experts in delivering and having the biggest impact on disability employment” (CEO, 03)</li> </ul>	<ul style="list-style-type: none"> <li><b>Customer centricity</b> “We’re trying to reduce people’s bills so we’re looking at ways to reduce people’s risk of being in fuel poverty” (Staff, 01)</li> </ul>
	Meso level	<ul style="list-style-type: none"> <li><b>Improved competitiveness</b> “The other strong driver is competition and being able to evidence quality to external partners and funders and stakeholders” (Network member, 05)</li> </ul>	<ul style="list-style-type: none"> <li><b>Business opportunities</b> “Joint quality accreditation “the initial motivation was to secure and concentrate on contract work that would provide live work experience for our trainees” (CEO, 03)</li> <li><b>Shared values</b> “I think open and honest relationships and communications have really helped as well and are good values to have.....I think that the trust that has been built over time and openness to look for new ideas and opportunities has helped to continue to develop it” (Manager, 01)</li> </ul>	<ul style="list-style-type: none"> <li><b>Improved competitiveness</b> “From a corporate perspective, having tenders, looks really good when tenders come in.... the more competitive you are, the more partnership you have, the more allegiances you have, the better” (Manager, 01)</li> <li><b>History of working together</b> “Since 2009 we’ve worked very closely with [partner] and we formalised that partnership about two years ago into a MOU. So we’ve always had a very good working relationship with them” (CEO, 01)</li> <li><b>Governance</b> “We wanted our Boards to be happy with what we were doing... and that they were comfortable with the two organisations working closely together” (Director, 01)</li> <li><b>Shared values</b></li> </ul>

				<p>“We’ve got the same common goal and the venn diagram crosses quite a bit. I think we’ve got the same values and ethics as well” (CEO, 01)</p>
		<ul style="list-style-type: none"> <li>▪ <b>Shared values</b> “I think that’s the great thing about not for profit organisations working together... more often than not, they have a shared value that they genuinely believe in” (CEO 02).</li> <li>▪ <b>History of working together</b> “Historically the consortium was the combination of two previous smaller partnerships... so it was about bringing those together to show that those could be worked on a regional basis” (Network member, 07).</li> <li>▪ <b>Marketing</b> “We’ve been able to create press releases and increase our marketing by sending those out to different sectors to let them know what we do, so it’s raised awareness. I think the consortium is helping us to build a really good reputation” (Staff, 05)</li> <li>▪ <b>Shared knowledge</b> “Sharing information and building upon each other’s experiences and working really well together, collaboratively and not against each other, so working as a team. Passing on any learning” (Staff, 06)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Relationships</b> “That individual served on our Board not just to talk about the potential for work between both companies but also to advise us on how we could gain work through other companies such as theirs” (CEO, 03)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Shared Cause</b> “We connect with quite vulnerable householders as do they so it’s a coming together of two organisations who are trying to help a similar cause and we each have specialist skills” (Adviser, 01)</li> </ul>

	Macro level	<ul style="list-style-type: none"> <li>▪ <b>Impact demonstration</b> “It’s that added value of the support that the employer is given to allow them to really practice diversity”. (Network member 09)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Sustainability</b> “It’s about knowing the inside out of businesses and how businesses operate. Anyone who is able to come up with ideas for businesses that will either improve their performance, reduce their costs, or take on work that they are not interested in doing...enables you to gain support for community-led initiatives” (CEO, 03)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Impact demonstration</b> “There are huge problems in this region with people not being able to heat their homes.” (Director, 01)</li> </ul>
		<ul style="list-style-type: none"> <li>▪ <b>Changing stakeholder expectation</b> “It used to be you would have been given funding to do good things whereas trustees now want to see an investment in a project and the impact that that’s having” (CEO 06)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Meeting partner expectations</b> “It’s recognising that if you can meet your partner’s goals then you will succeed, that’s the click in the whole thing and that’s the point that you need to get to” (Director 03)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Efficiencies</b> “The target is to bring fuel poverty down by 22% and... in this region is the big reliance on oil. Oil impacts 68% of our customers...we need to make sure that there is a fair and a just transition to decarbonisation, to getting rid of fossil fuels and I think that we see that there is a problem to be solved and we need to make sure that the customer isn’t paying over the odds” (Director 01)</li> </ul>

<b>Value creation</b>	Micro level	<ul style="list-style-type: none"> <li>▪ <b>Realistic goals</b> “You start with bigger goals and then think about how you might get these a bit closer to reality.... contact with the service user is vital so that you can follow through on what’s realistic” (Staff representative 04)</li> <li>▪ <b>Realising customer expectations</b> “It’s about that client’s expectation to improve their quality of life and improve their prospects in work and them feeling I could become the Manager or Supervisor, so it’s about changing that perception that they have because of their disability so that they can start to go forward” (Staff, 07)</li> <li>▪ <b>Service user approach</b> “We’ve clients who have debt management issues, housing issues and things like that and without me being there to help them remove those barriers they’re never going to get into work” (Staff, 08)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Entrepreneurialism</b> “Value has been achieved through training which has led to jobs and income for us but then there’s the social value, so the profit out of the relationship that’s been created goes into the social part of the business” (CEO, 03)</li> <li>▪ <b>Support</b> “In a big factory you’re just a number and here they listen to you and care about you and help you out more” (Staff, 02)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Impartiality</b> “We’re independent and they’re (customer) are not going to phone us and get a sales pitch and that’s probably something that we’ve always prided ourselves on” (Adviser, 02)</li> </ul>



	Meso level	<ul style="list-style-type: none"> <li>▪ <b>Professionalisation</b> “A lot of the things that we do are really about the professionalization of quality and so it’s not about those throwaway remarks, it’s really evidence based and that helps I think on a competitive side of things in terms of linking it back to a winning bid” (CEO 04).</li> <li>▪ <b>Specialist expertise</b> “In terms of then the wider competence of the organisations there is a variety and a diversity of a skills base there, we’ve local and in relative terms, small organisations but also then larger regional organisations and then indeed regional organisations which are part of National organisations. That brings a range of skills and competence and expertise” (Manager, 03)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Processes</b> “Streamlining processes that were cumbersome was something I was able to get back to them (the partner) on...and we were able to demonstrate to them that feedback from customers as a result, was exceptional, it’s 99% on Amazon and it’s 100% for 33,000 feedbacks on Ebay” (CEO, 03)</li> <li>▪ <b>Diversification</b> “They (the partner) are involving us on things that they are thinking about or a particular direction they are thinking of taking in terms of sales and marketing and how their products might be presented to their customers” (CEO, 03)</li> <li>▪ <b>Customer service</b> “Te were able to set it out as a very professional process, and they have been able to give us a commitment to the levels of quality they can offer and consistency and reliability” (Manager, 01)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Goodwill</b> “We can supply them with our research and we can give them an evidential base and they can give us an evidential base on different things so hopefully overall that gives a stronger picture” (CEO, 01)</li> <li>▪ <b>Trusted brand</b> “our brand is very well known and trusted by householders and that works” (Adviser, 01)</li> </ul>
	Macro level	<ul style="list-style-type: none"> <li>▪ <b>Relationships</b> “The better the relationship we have with the Department the better chance we have of generating more referrals, the better the relationship with employers the more</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Relationships</b> “Recommendations have worked well for us as we’ve been able to develop relationships with companies like</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Strategic collaboration</b> “At a strategic level we need to be pushing government now that we’ve got an assembly back. So that whole</li> </ul>

		people we can get into jobs and there's better word of mouth feedback and they talk to other employers as well... if clients feel confident and secure and happy that they will get a good job because of the relationship they have with staff" (Network member 01)	Bombardier and Brett Martin for sample making" (CEO, 03)	lobbying thing is perhaps the way forward for energy" (Director, 01)
Value delivery	Micro level	<ul style="list-style-type: none"> <li>▪ <b>Shared, specialist expertise</b></li> </ul> <p>"The support on offer through the programme is enhanced by the wide range of quality specialist disability provision which is available through the respective organisations who have come together as the new consortium" (Documentation, 03)</p>	<ul style="list-style-type: none"> <li>▪ <b>Product quality</b></li> </ul> <p>"If they (partner) make a batch of something and they're not happy with it they will tell us and we'll understand why they are not happy and we will work to resolve things together so I think open and honest relationships and communications have really helped" (Manager, 01)</p>	<ul style="list-style-type: none"> <li>▪ <b>Reciprocity</b></li> </ul> <p>"We signpost customers to our partner and other agencies that we can signpost people for help in a seamless way" (Adviser, 02)</p>
	Meso level	<ul style="list-style-type: none"> <li>▪ <b>Increased legitimacy</b></li> </ul> <p>"Together our voices are louder, together we can ask for more and together we can command a bigger share of the market...separated and isolated we may not have got the contract to begin with" (Network member 06).</p>	<ul style="list-style-type: none"> <li>▪ <b>Reduced stigma</b></li> </ul> <p>"They (the partner) want to sell more products, and we want to supply more products to do more of what we do which is employing people with disabilities" (CEO, 03)</p>	<ul style="list-style-type: none"> <li>▪ <b>Shared resources</b></li> </ul> <p>"Mostly it's using their (partner) resource and we would use that every week so it's a really good resource.... The value for me is the information on their (partner) website" (Manager, 01)</p>
	Macro level	<ul style="list-style-type: none"> <li>▪ <b>Economic and social impact</b></li> </ul> <p>"One of the elements that we identified was that we needed to have robust quality standards and there needed to be robust contract monitoring in place and even if we hadn't done that I would say that they way the economy is at the moment and how tight money is, that somebody would be forcing my hand to do doing that now anyway" (Funder representative 03)</p>	<ul style="list-style-type: none"> <li>▪ <b>Public sector recognition</b></li> </ul> <p>"They (the partner) are a supplier to government and the public sector and there's a big emphasis now to encourage and develop relationships within business in communities that they engage with and draw their staff from and this has been something that's been in they're (the partner's) DNA from the get go, community engagement and they've done it for the right reasons" (CEO, 03)</p>	<ul style="list-style-type: none"> <li>▪ <b>Economic and social impact</b></li> </ul> <p>"We need to make sure that there is a fair and a just transition to decarbonisation, to getting rid of fossil fuels and I think that we both, over the years, see that there is a problem to be solved and we need to make sure that the customer isn't paying over the odds for that" (Director, 01)</p>

Value capture	Micro level	<ul style="list-style-type: none"> <li>▪ <b>Satisfied stakeholder expectations</b></li> </ul> <p>“I’ve learned how to travel independently and how to manage my money. I’ve made some new friends and feel more confident in talking to people. Before I was in the depths of depression but thanks to support from [Employment Officer] I now have a better work life balance and I’m enjoying the social aspect of being back at work” (Service user documentation).</p>	<ul style="list-style-type: none"> <li>▪ <b>Employment</b></li> </ul> <p>“we see real value every day the impact that is made through the people that are employed to do the work that we do for them (our partner) and but for them they would not be employed” (CEO, 03)</p> <ul style="list-style-type: none"> <li>▪ <b>Feedback</b></li> </ul> <p>“We get feedback from them (the partner) like how good the quality of the samples are, how many books have gone out and then they give us more work so if we’re given more work we must be doing something right” (Staff, 02)</p>	<ul style="list-style-type: none"> <li>▪ <b>Satisfied customer expectations</b></li> </ul> <p>“A new free online interactive budgeting tool to help households take control of their spending and identify areas where they can potentially save money” (Doc, 3)</p>
	Meso level	<ul style="list-style-type: none"> <li>▪ <b>Market share</b></li> </ul> <p>“We’re able to demonstrate both the attainment of outcomes against targets and do it consistently over a 3 year period, and our market share of new starts and leavers is considerably higher than the other providers” (Observation of Steering Group meeting)</p> <ul style="list-style-type: none"> <li>▪ <b>Influence the sector</b></li> </ul> <p>“Politically within that we would be trying to effect change in policy direction and new programmes” (Manager, 02)</p>	<ul style="list-style-type: none"> <li>▪ <b>Profitability</b></li> </ul> <p>“When I arrived in 2008 our income from them (the partner) was £18,000 and now it’s over £100,000 so it’s giving us between eight and ten thousand pounds a month in income... I don’t think they (the partner realise that what they have done is of such significance” (CEO, 03)</p>	<ul style="list-style-type: none"> <li>▪ <b>Influence the sector</b></li> </ul> <p>“We’re singing from the same hymn sheet, we’re articulating the same views when we sit down with government, and we recognise the same problems. We might want to solve those operationally in different ways but we’re heading towards the same goal. The more people who are saying to government that the consumer needs to be protected, the better” (Director, 01)</p>
	Macro level	<ul style="list-style-type: none"> <li>▪ <b>Impact demonstration</b></li> </ul> <p>“We’re giving feedback to those government departments on the real issues that affect service users and I think that’s valued” (CEO, 02)</p>	<ul style="list-style-type: none"> <li>▪ <b>Impact demonstration</b></li> </ul> <p>“We’ve provided them (the partner) with really robust evidence of how we’ve used profits we have generated through work from them (our partner)” (CEO, 03)</p>	<ul style="list-style-type: none"> <li>▪ <b>Impact demonstration</b></li> </ul> <p>“What we’re looking for is to increase their (householders) income, reduce their costs and increase the thermal efficiency of their home” (Staff member, 01)</p>