Chapter 6

Creating Shared Value and Increasing Project Success by Stakeholder Collaboration:
A Case in European Manufacturing

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ABSTRACT

This chapter introduces the idea of accessing new resources by collaborative interaction with stakeholders to optimize the value chain and product development process. It is acknowledged that Creating Shared Value (CSV) could be a value driver by revisiting the supply chain (Porter & Kramer, 2011); however, in a world of scarce and often inaccessible resources, wastage is becoming increasingly detrimental. With project expenditure rising (PMI, 2012) and continuing high rates of failure (Balogun & Hope Hailey, 2008; Langley, 2014) small and medium sized businesses (SMEs) could find themselves in a position where crucial innovation becomes unaffordable and non-achievable. It is suggested that utilizing 'the crowd', pragmatically incorporating collaborative engagement with stakeholders, could not only alleviate this problem but increase project success rates, lower costs and allow SMEs to fulfil social responsibilities with CSV.

INTRODUCTION

This work focusses on the implementing social responsibility while facing resource constraints as well as continuing project failure. With project expenditure reaching 1/5th of global GDP (PMI, 2012) we need to address continuing high rates of failure (Balogun & Hope Hailey, 2008; Langley, 2014), particularly when concerned with resource constraints in a world after the 2008 financial crisis. Especially SMEs face a dilemma to remain innovative; thus it is suggested to harness this enormous potential of modern communication and organization, internet and social media in particular. Utilizing 'the crowd' via crowdfunding and crowdsourcing, SMEs could potentially generate new resources, address prob-

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lematic project success rates and fulfill societal expectations at the same time. Collaborative stakeholder engagement (Sloan, 2009) could be seen as implementation of corporate social responsibility (CSR) in the form of creating shared value (CSV), alleviating resource constraints (Nooteboom, 1993; Steen, 2013) and fulfilling social responsibilities, while increasing project success.

This work is based on an initial field study, asking how a small company could complete a big project. The focus has been adjusted during the research, elucidating the benefits of 'the crowd' and discovering advantages as well as disadvantages, including suggestions of how to approach the matter.

After introduction of the theoretical background, the author will report on practical outcomes of the research, followed by solutions and recommendations. It is perceived that benefits can be realized, if the corporation is willing to engage with 'the crowd', finding their individual method of interaction and channeling it into profitable outcomes. At the same time the disadvantages and possible remedies are elaborated before future directions of research are suggested.

Suggestions focus on Project Management, especially the impact of crowd inclusion, and facilitating it in the first place, particularly relationship management. It is concluded that 'the crowd' could indeed provide a solution to a multi-level problem, if approach and conduct of interaction are managed well. Such collaboration could address resource shortages and Project Management issues as well as social responsibilities. Therefore it is suggested that Stakeholder Collaboration in the age of internet and social media means pragmatically accepting social responsibilities by creating shared value with the crowd.

BACKGROUND

Since its inception CSV has been branded as a way to reconnect companies detached from society, creating value for owners by addressing societal challenges and therefore going beyond the narrow concept of shareholder value (Porter & Kramer, 2011). One of its accepted definitions suggests redefining productivity in the value chain and to rethink products and markets, highlighting innovation as a core advantage the business should strive to achieve in the competition (Porter & Kramer, 2011, p. 65). Although arguably market mandate, SMEs as the pillars of the economy (European Commission, 2013; Lukács, 2005; US Census Bureau, 2008) could be increasingly at a disadvantage.

While innovation is crucial (esp. Andrew, Manget, Michael, Taylor, & Zablit, 2010; Bayus, 2013; Jaruzelski & Dehoff, 2010), particularly the development of new products (R&D), it also requires capacities already in short supply and more often than not already occupied conducting daily operations or fulfilling administrative requirements (e.g. Nooteboom, 1993, 1994). At the same time success rates of projects remain low (Langley, 2014; Serra & Kunc, 2015). Though additional resources seem to be unavailable in the classical sense, there could be new approaches that could potentially prove beneficial for all aforementioned issues.

Origin and Transformation of CSR

Despite lacking a universally accepted definition (Dahlsrud, 2008), the decades of debate on CSR have been multifaceted and productive. Arguably dating back to 'mining colonies' (Grollmann, 1996; Vonde, 2012) and alternating between corporate mandate (Bowen, 1953) and complete rejection (Levitt, 1958), CSR has come full circle and urges the business to go beyond the narrow interpretations of shareholder value. Public demand for responsibility are increasing through globalization (Jenkins, 2005; Kercher,

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