COLLABORATE OR DIE

The Changemaker's Handbook for Co-Creation

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INTRO

DUCTION

"I am so delighted I could almost cry.

I'm just so proud to have contributed to this project."

Eight Indian students, a Korean designer, a Mexican head of marketing, a Finnish tech nerd, an English product engineer and two Dutch consulting guys (us) are standing in a circle in a hotel ballroom in Mumbai. We are reflecting on a co-creation workshop we've just finished, in an exercise called "Pinging Out".

"I never thought my opinion would be relevant to something as important as this. The only advice I can give is: please keep doing this type of session. I really hope you take our lives and opinions to heart when you develop your next phone." She is so emotional that tears well up in her eyes.

And that extraordinary power of the process we call *co-creation*, is what this book is all about. Although "Pinging Out" in Mumbai with twelve complete strangers, hand-picked from around the globe, may sound strange to some, it's second nature to us. We've been in similar situations from China to Brazil.

The workshop described above was part of a project to develop a breakthrough, new proposition for a global mobile phone manufacturer. We wanted to truly understand what it's like to be a young adult in big-city India, Mexico, Nigeria, or Indonesia. What is life like, what are their dreams, aspirations, daily struggles? And to develop ideas, products, services directly with them, bypassing the more traditional, office-based and long-winded process most corporations use.

In that ballroom, all participants were handpicked for their perspectives, both the Indian young adults and the client-side professionals. The mix of perspectives opened up a fascinating discussion, and each of us felt we had contributed and learned. The process enabled us to "stand on each other's shoulders, rather than on each other's toes".

Back at Telco HQ, senior leadership teams were eagerly awaiting our learnings and ideas; big decisions ready to be taken. The outcomes of our whistle-stop immersive learning journey retrospectively transformed the approach, perspective, and business success of a multi-billion-dollar division.

Admittedly, this is not an everyday situation: new phones aren't conceived in Mumbai every day. But the perspectives, principles, even the session setup and remarkable impact are, for lack of a better word, *standard*. You can apply co-creation to any issue you want to solve, change, or improve. This book will show you how. Not only will we explain what the term *co-creation* means, but also, in detail, how to make it work. We don't bring people to tears on a daily basis, but if done well, the process of combining perspectives into a structured, creative process does lead to enormous energy, momentum and joy, as well as great solutions. We should definitely do this more often, as people.

> **We as humans are wired co-creators, it's in our DNA. We *love* to do it, but somehow, we lost the habit along the way. All of humanity's great achievements were done through dreaming and co-creation, from setting foot on the moon to creating the internet. The smartest organizations have since embedded co-creation in their culture, and leapfrog others, innovating at a relentless pace. Stuff simply gets better when done together, becoming the multiple of everybody involved. Nothing truly great was ever conceived and achieved by a single person. To progress, we must stand on the shoulders of others.**

You can choose to stay on the sideline of history and do things the old way – which is actually not that old anyway. With the industrial revolution and specializations came *silo thinking* and a profit focus which basically killed original and meaningful creativity. It also took critical minds away from creative processes. This is basically the start of how we ended up in the mess that we currently live in today.

Still, mankind has also created many beautiful things, but just imagine what it could have been if we had taken the effort to allow many more perspectives onboard when we were creating pesticides, SUVs, and air conditioning systems. Are these solutions really the best way to grow food, move people or cool homes?

Most probably, in a fast-paced world full of complex challenges and purpose-driven people, you simply cannot survive without co-creation. Will you be able to solve every problem yourself? Probably not: in an interconnected world, you will need to collaborate with customers, clients, even competitors.

Just take Tesla as an example: nonhierarchical round-table sessions are used to solve technical problems on the factory floor. Probably Volkswagen would like a piece of that mentality. The old paradigms are quickly replaced by new ones, leaving the old world in a cloud of dust.

There is hope. Taking the perspectives of all stakeholders into account when creating new lines of business leads to better products. If you leave innovation up to sales (or for that matter, any other single department) … well, we all know what will happen. And logically so, they have targets and are rewarded accordingly. But what if we could create products and services, even enterprises that serve many more purposes than just one? What if we would look at them integrally? Imagine the impact you can make on the triple bottom line (people, planet, profit). Co-creation allows you to achieve this. It unleashes energy, mandate, and momentum like you have never seen before; it engages people at a completely different level than standard business procedures.

In a nutshell, that's why we decided to write this book, because solutions filled with joy, impact and momentum are precisely what we need in this "decade of change". If we don't manage to collaborate in an effective and meaningful way, we will simply be unable to make the change the world needs. We are optimists (well, to be precise, we are one tech optimist/engineer and one culture optimist/anthropologist) and believers in the potential for companies to be a force for good. We have nine years – and counting – left until 2030 and it's safe to say we need all the "good" we can get from companies.

Many professionals in the worlds of business, politics, nongovernmental organizations, and education call for "more collaboration". How this should actually take place, however, or who should be involved and why, are usually left quite vague. We intend to help you blow away the fog. This book has been written to give practical guidance to changemakers who want to use the power of co-creation to develop solutions, opportunities, and progress.

Over the past fifteen years we've seen co-creation evolve from a hype among researchers into a well-respected way-of-working, more recently even it has become a pillar of many an organization's strategy. During this time, we've developed, applied, and fine-tuned a simple approach to co-creation that has proven successful across a wide range of industries, regardless of topic, language, or culture.

We have seen people, teams, organizations change as a consequence of co-creation: new businesses ignited, coalitions formed, ways of working established. In this book, we take you into the engine room of our approach, explain how the motor works, and then show you how to drive.

Far *from* rocket science, the approach described in this book would most likely also work *for* rocket science (NASA is – as yet – not one of our clients). We have worked with pensioners and pubescents, professors, nurses, young moms, learner-drivers, fighter-pilot-in-helmet-screen-display-ux-designers, brewers, bankers, and librarians. It works, no matter where you are or what your question is.

The central premise to co-creation was coined by Silicon Valley guru and Sun founder Bill Joy: "No matter who you are, most of the smartest people always work somewhere else."

Have a cup of tea and let that one sink in, because as well as mathematically inevitable, it is the rock that the lighthouse of co-creation is built upon (pardon the metaphor). Bringing the perspectives of experts, stakeholders, customers, clients, and coworkers on board, using the resulting collective intelligence to create remarkable solutions.

We've found that not only do "people who work somewhere else" have a highly valuable contribution to make, but as illustrated above, many of them are also delighted to do so. Although some country, company or industry cultures are more secretive than others, we've found that there is a global, innately human desire to contribute to progress. To be part of somebody's solution, to "help".

This is a practical *How-to* book, taking you through the process, so you can put things into practice as you read (or vice versa). In the following chapters, we will take you through the so-called *Five Guiding Principles of Co-creation*, which serve both as a set of sequential steps and as a mantra for changemakers. We have written this book with you as a practitioner (innovator, design thinker, facilitator, strategist, connector) in mind, but you can also read it when you are simply very interested in "new ways to innovate". It could be a source of inspiration for anyone looking for change and using a new process to do just that.

This book is laced with facts, stats, anecdotes, and lists. You will notice that we like lists of five. For some reason co-creation works in fives. We recommend you treat the different sections differently.

In Section I, we will dive into *WHAT co-creation is*. This is meant to be inspirational, and you should read it all the way through to grasp the richness of the topic. Then, in Section II, we will introduce our "rock stars": The Five Guiding Principles. We have compiled all our knowledge on organizing expert co-creation sessions. This is a detailed handbook to prepare and carry out those sessions. You can browse through the pages and simply dive deeper into what matters to you. We can imagine that you leave comments here and there, stick Post-its to pages, flip back and forth to get your head around it. It is rather like a survival handbook: go to page 44 for edible berries. In Section III we have taken our approach online and mapped out all the (sometimes tiny) differences between offline and online sessions. Only read this part when you have fully read and grasped Section II.

As noted above, this is not an academic publication, but a practical book based on years of boots-on-the-ground experience. We have not only used these methods for our consulting business but also frequently "eaten our own dog food", applying co-creation to challenges we faced in our own initiatives. We also tell the personal story of how we founded the world's first – and only – Jean School as a decisive step in taking the one hundred-billion-dollar global denim industry towards a "brighter blue" future. It is a source of inspiration and nicely touches upon all aspects of the Guiding Principles.

We hope this book helps you become the inspirational changemaker the world needs you to be.

If nothing else, co-creation will give you a fresh perspective. Be prepared to hear things that will challenge your views, thoughts, and opinions. The more you listen, the more you extract, and the greater the experience. From one of our co-creation sessions, this time in New York City, in a downtown SoHo apartment turned co-creation space, while working hard on new home automation solutions for a global tech company:

Client: "But that's just a ten-dollar piece of technology!"

Co-creator: "Okay, but it's a one-hundred-dollar solution."

SECTI

THE FOUR TYPES OF CO-CREATION

ION1

OUR EXPERIENCE
IN CO-CREATION

15

YEARS OF
CO-CREATION

99%

IN ENGLISH, ONLY
A HANDFUL IN A
LOCAL LANGUAGE

2,500

CO-CREATION
SESSIONS IN 48 CITIES
AND 36 COUNTRIES OF
WHICH 250 ONLINE

15,000

EXPERTS
CONNECTED ON
5 CONTINENTS

Welcome to the world of co-creation. Congratulations on making it past the introduction: you are now entering the engine room of impact. To start off properly, this section aims to lift the shroud of mystery that surrounds the term *co-creation* and introduce the four main types – each with their own pros and cons. You will see that co-creation, although collabora*tive,* is something very different than collabora*tion.* Great news for ambitious changemakers: co-creation offers specific, structured, concrete ways for others to contribute to what you want to conceive and achieve.

Expert co-creation

This handbook is for changemakers who want to organize co-creation sessions with a group of people, to solve a particular problem: we call this approach *expert co-creation*. In this first chapter we will show you that there are also other types of co-creation. We won't be discussing these in great detail, but you will be pleased to hear that the principles we outline in this book (see Section II: *The Guiding Principles of Co-creation*) can be applied to all existing and future ways of co-creation. That is why they are called principles. But before we dive into them, let's take a look at what's out there: some basics, first.

How is co-creation different from collaboration?

Collaboration literally means "working together". This could mean anything from building a brick wall to bringing a man to the moon – and back.

Co-creation is different. It is about bringing things into being, together, forming them out of nothing. You can dream up something that wasn't there before. And make it happen. It holds a promise which is almost unbelievable: are we actually able to create something new, right here on the spot? Is it actually possible to set up a structured process that makes creativity happen? We can answer that affirmatively: YES. With a fresh set of perspectives (people) brought together for a specific task, in the right setting, you will always end up with unexpected (new) output. Always.

Collaborate or Die

We have chosen the title of our book because we firmly believe in both collaboration and co-creation. We see co-creation as a specific part of collaboration (the beginning). And this book addresses that part. With the title, we wanted to stress the importance of collaboration, also given the fact that this term is widely understood, and the term co-creation isn't (yet). Hence the book.

The co-creation movement started in the 1980s, when involving consumers in the development of new products, became an accepted way of working. One decade later it was seen as a new source of competitive advantage. Due to the internet, online co-creation became hot in the 2000s. In the tens, we saw the growth in business-to-business co-creation, and it became an accepted serious strategic innovation

tool. We can safely argue that co-creation is now a wide-spread phenomenon and a huge practice. We can use this momentum and power for good. We believe that in the twenties co-creation will be an indispensable tool for anyone trying to solve the challenges of our time. Systems have become so complex and interconnected that one needs many perspectives to solve specific problems. For example, missing crucial links in a value chain means not being able to create circular business models. We will address the coming decade later in this section, but we are getting ahead of ourselves, so let's bring some clarity first.

It feels like a good step to start this section with some sort of a definition. Here's the one which has stood the test of time for us for the past fifteen years.

Co-creation is:
The collaborative process of creating new value,
with external experts and stakeholders.

The *value* in question could be anything you want, like a solution, new ideas for products or services, business models or a strategy, even a campaign idea or the start of an entire movement. The word "new" serves to identify that we are creating something that wasn't there before. Incremental improvements to existing business count too, but due to the effort involved, co-creation is generally applied to more complex challenges.

The *experts* and *stakeholders* are different for every question: it could be anyone outside your team: a customer, a neighbor, a teacher, a nuclear scientist, a soccer mom. We use the term "external" to set co-creation apart from collaborating with coworkers from inside your own organization. Although highly commendable, this – in our view – is just normal working practice. Co-creation is about bringing on board – and unleashing – the power of perspectives that are different to your own. In the next section (under Principle 2), we will discuss helpful frameworks to identify who to ask for input, and how to get it.

As any innovation professional worth his Post-it notes will tell you, innovation – and thus co-creation – is a fuzzy and uncertain process that requires heaps of effort, creativity and hard work. IDEO's founder, David Kelly (hands-down one of the world's most-revered design experts) aptly describes innovation as 'messy and unglamorous' (wish we had come up with that description). You will come to see that co-creation has many moments like that throughout the process.

One of the key things we've learned is that co-creation is best applied to "real", urgent challenges that have true potential for progress, and thus have the power to intrinsically inspire participation. We've regularly been asked to "do one of those fun sessions with Post-it notes – so inspiring!", but if there's no ambition to actually change anything, there's no real reason for participants to contribute. It becomes recreational: potentially lots of fun, but no real sense of purpose.

Once you know WHAT you want to achieve, it's time to start thinking about HOW you want to achieve it. There are a number of distinctly different types of co-creation, so before diving into *HOW it's done*, let's begin by explaining four main types, when to use which type and why – illustrated with some interesting case studies. What connects all types of co-creation, is that they take real effort to do properly.

WORLD MAP WHERE WE'VE CO-CREATED

Amsterdam
Paris
Antwerp
Berlin
Geneva
Vienna
Munich
London
Madrid
Bucharest
Düsseldorf
Frankfurt
Brussels
Breda
Rotterdam

Barcelona
Copenhagen
Warsaw
Stockholm
Rome
Milan
Valencia
Lisbon
Helsinki
Tbilisi
Alicante
Naples
The Hague
Leeuwarden

Lagos
Cairo
Johannesburg
Nairobi

Delhi
Mumbai
Ankara
Moscow
Riyadh
Dubai
Bangkok

Singapore
Jakarta
Shanghai
Seoul
Osaka
Tokyo
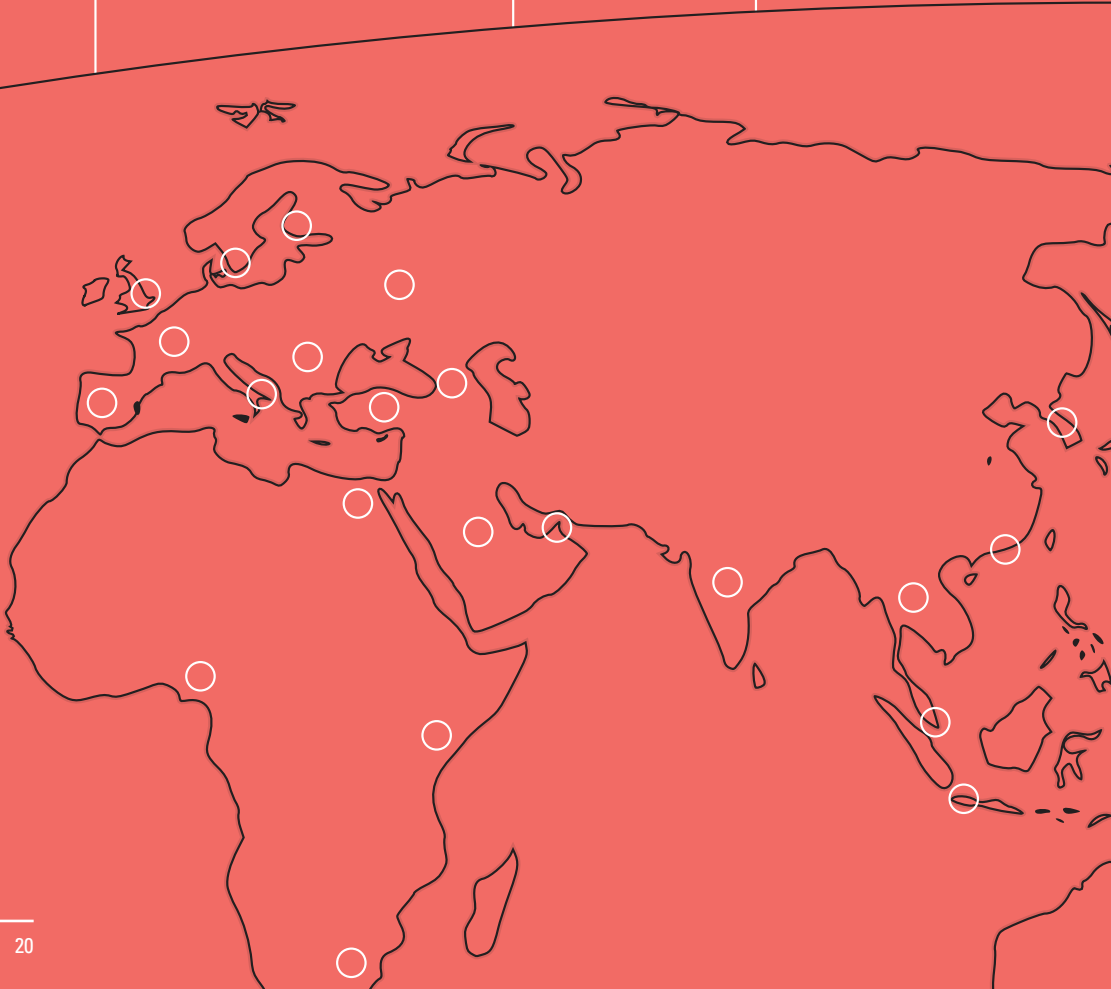
New York
San Francisco
Los Angeles

São Paulo
Brasilia
Rio de Janeiro
Caracas
Bogotá
Mexico City

Four types of co-creation

Two axes define the four types of co-creation:

1 **Who is invited to contribute?** (Can anyone join in or are contributors selected?)
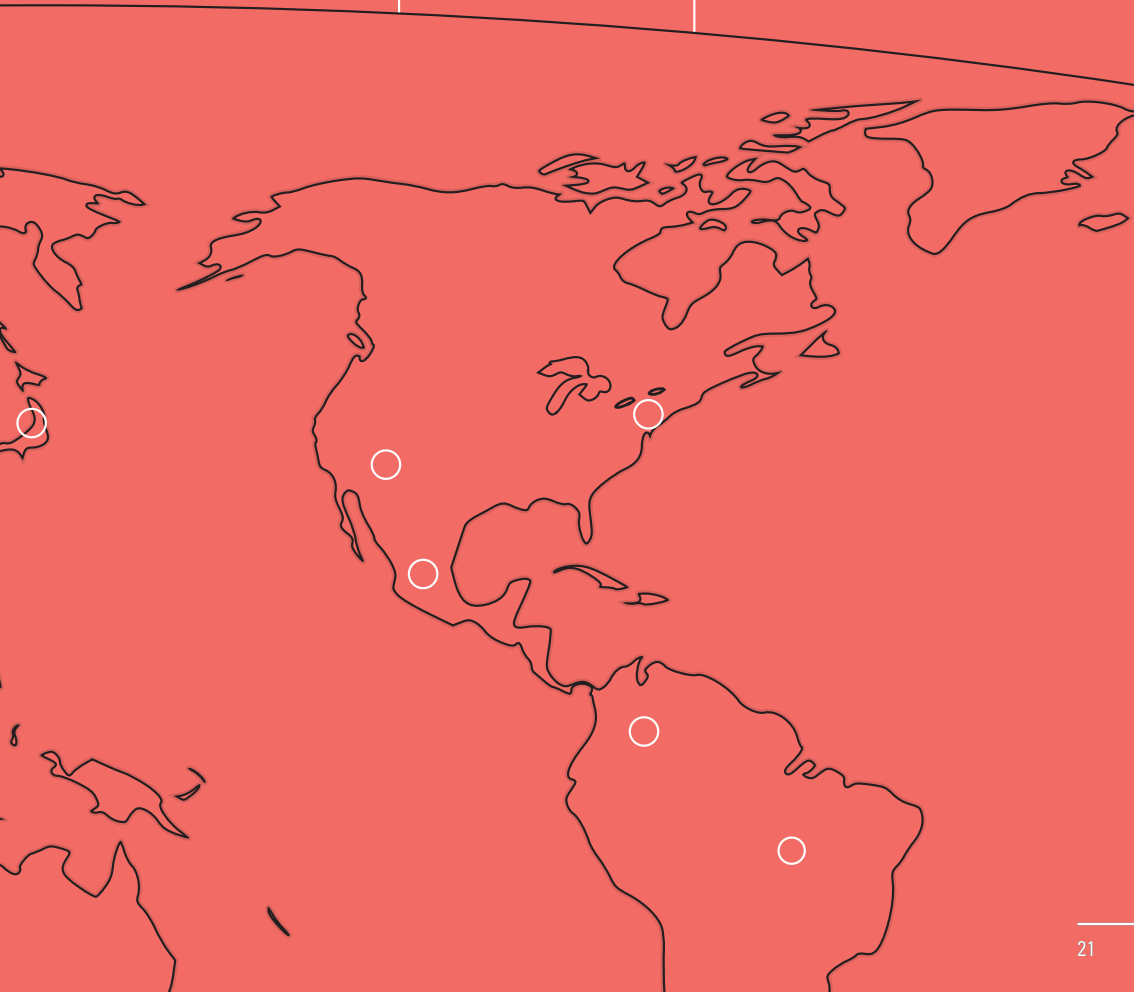2 **Who owns the outcome?** (The initiator or all contributors?)

Putting contribution and ownership together gives us a lovely 2x2 matrix, the "weapon of choice" for consultants and professors the world over. What follows are four types of co-creation. Each type has its own specific pros and cons, so choose wisely.

Crowdsourcing. Where an initiator invites "everyone" to contribute ideas towards the challenge he or she has. It can be an open call for concepts, designs, ideas, solutions... The initiator "owns" the outcomes.

Community co-creation. Where communities (groups of people who share an interest, identity, or benefit) contribute towards a shared purpose. Everyone within the community (could be *everyone*) benefits from the outcome.

Coalitions. Where groups of selected individuals/organizations join forces to realize a shared goal that none of them could achieve individually. Outcomes are owned/shared by all contributors.

Expert co-creation. Where specific experts are handpicked to synthesize perspectives and solve an initiator's challenge. Interactions between participants are generally deeper than in Crowd Sourcing cases, and the outcomes are "owned" solely by the initiator.

FOUR TYPES
OF CO-CREATION

Axis labels (vertical, top to bottom): Anyone can join / **OPENNESS** / Selection process

Quadrant 1: Crowdsourcing

Quadrant 2: Community co-creation

Quadrant 4: Expert co-creation

Quadrant 3: Coalitions

Horizontal axis: Initiator only — **OWNERSHIP** — Initiator + Contributors
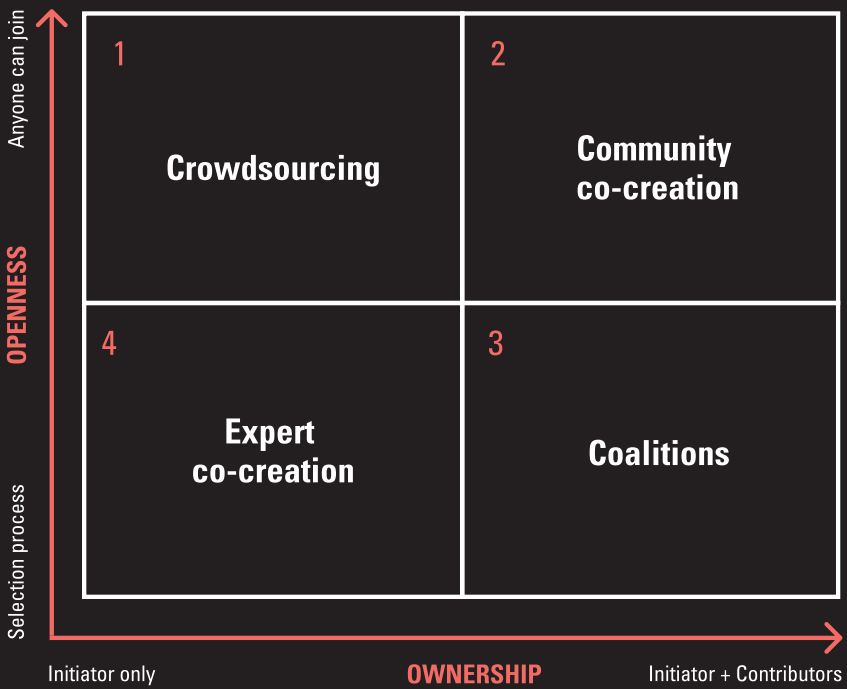
Crowdsourcing

This type is when an initiator seeks "the wisdom of the crowds" to come up with answers to a very specific question or challenge; in principle, anyone who knows about it can join. It's like the old Ideas Box that many organizations have hanging in the lobby, except that usually there is a specific question and a time-structured process involved.

This type is great when you also benefit from the PR and engagement that comes from wide-spread participation. That's why there are many examples of fairly super-ficial applications of Crowdsourcing: for example, to get input on what to call a Zoo's new baby seal, a new flavor of soda or a new variety of snacks.

There are, however, applications of crowdsourcing that go way beyond surface value. Many fundamental innovations come from opening up and engaging academic, pro-fessional and lay communities by bringing them together. For this section, let's look at two industrial examples where businesses were either "saved" or "turbo-charged" by the crowd.

How to strike gold from 10,000 miles away: The Gold Corp case

Imagine the board room of a Canadian gold mining company, faced by a string of bad luck. Having performed substantially under the industry standard for several years in a row, money was running out. Worse still: morale was at an all-time low, and equipment in urgent need of repair. Finding new gold in the wilderness was becoming an increasingly desperate, cost, and time-consuming exercise. Visiting an alumni seminar held at UC Berkeley, Goldcorp director Rob McEwen met a group of programmers from Linux, who – as followers of Bill Joy's mantra, "No matter who you are, most of the smartest people always work somewhere else" – advocated the adoption of open-source problem-solving. Driven by the imminent bankruptcy of Gold Corp's "Red Lake" mining concession, McEwen made a bold move. All the mine's geological data and research were shared online, and half a million dollars was offered as a reward to whomever would "strike gold". Forty-five years' worth of pro-prietary research, the life's work of Gold Corp's fourteen-strong geologist team, open for all to see. You can imagine how visionary – and desperate – management must have been: opening up your data in the "secret-find" driven, macho world of min-ing, was nothing short of revolutionary. The results, however, were staggering. 1400 multi-disciplinary teams from all around the globe took part in the contest, eventually leading to 110 identified sites, eighty of which struck gold. From near death and a value of "just" one hundred million, the company is now the fourth largest gold miner in the world, valued at nine billion dollars. Interestingly, the winning team was a group of mining industry professionals from Australia, over 15,000 kilometers away. Think of your own company: imagine what it would be like if a competitor from the other side of the world helped you increase your worth by ninety times...

Community co-creation

The purest (closest to the essence of collaborating for progress) form of co-creation is probably what we call "Open Source", or community-based co-creation. Anyone is allowed to contribute value and use what is collaboratively created. In most cases, people contribute because they care – because they are part of a community (i.e., they are linked by a commonality of interest, identity, or benefit). Collaborations like these have always existed in academic communities but were later re-defined by the software development community, starting in the late 1980s. Experience showed that software was developed better and faster if code was made public rather than kept a secret (which was the norm until then). Nowadays, the internet and collaboration software have made it very easy for people to collaborate across time-zones, sometimes without ever having met in person.

How Wikipedia democratized access to knowledge – and transformed living rooms in the process

Over the past three or four decades, life has changed at an ever-faster pace. A number of products have taken over daily life (the most obvious example probably being the smart phone), whereas others have become obsolete (like Sony's once-revolutionary Walkman). None are likely more iconic examples of dinosaur products becoming extinct than encyclopedias – if not just for the huge empty space their demise has left in homes all around the world. Encyclopedias: Impressive, twenty-six-part, often leather-bound founts of knowledge. Incredible feats of writing, editing, illustration, printing, distribution. Enormous investments for middle-class families and often cursed by people moving house. Their death was announced in 2001, when Jimmy Sales and Larry Sanger combined the words Wiki and Encyclopedia to launch what would become the biggest and most-referenced work in the history of history. Nowadays, there's no need to describe what Wikipedia is, nor how it works. In the context of it being an example of community-based co-creation, however, it is interesting to point out that not only is the content open source, but all of it comes from a community of contributors (Wikipedians) who write without financial reward. It is the largest reference work ever produced, and the majority of its fifty-seven million articles are written by contributors in their free time. If ever there was an example of many hands making light work, here it is. Also, the platform is blissfully free of advertising and hidden business models, covering its operating costs instead by accepting small donations from users. This makes Wikipedia an example of *crowdfunding* too. For the first time in history, wisdom, facts, knowledge, and history are free. Access is unrestricted and free of charge, but also the description and editing of its content are free, in the sense that no religious, political, or commercial entities have any substantial veto or control over its formulation – anyone can propose a correction or edit. Unrestricted access to open information, free of charge. Truly a masterpiece of co-creation.

Coalitions

In some cases, you simply aren't able to crack it alone. Maybe you need a majority of the market to succeed, like when you want to create a new industry standard. Or perhaps you have a new product that needs a totally different distribution model to get it into your customers' hands. These are all instances in which the "coalition" can create value.

For this section, let's dive into the world of so-called Fast Moving Consumer Goods: Nespresso.

How Nespresso changed the face of Coffee

Nestlé are probably responsible for changing the global face of coffee, but they didn't do it alone. No, we're not talking about George Clooney, but a clever coalition-based business model. It's hard to imagine, but before Nespresso machines landed on "everyone's" kitchen counter, most of us used to get our buzz from filter-drip coffee, pots at a time. Scoop the ground coffee from the packet, pour hot water onto the filter – or let a machine do it for you. Some markets (like the UK) would even go for "instant". Nowadays it's safe to say that single-cup espresso-style coffee machines are the norm. A Nestlé engineer invented the Nespresso process (of heating water and pressure-pressing it through a small capsule of ground coffee to produce a single espresso) as early as 1976. But it wasn't until Nestlé adopted the coalition strategy in 1990 that they began to build their business. It makes sense: Nestlé is world renowned for products relating to chocolate, coffee, and dairy. But their credibility in house-hold appliance engineering was weak, not to say nonexistent. More crucially, they had no access to the coffee-machine value chain: not for sourcing & making, nor for distribution. In plain language: coffee beans and kitchen appliances don't come from the same factories and aren't sold in the same shops. Appliance makers (like Krups, DeLonghi and KitchenAid) know exactly how to produce and sell kitchen appliances through their retailer partnerships, but they had a different problem on their hands: the old-school "drip" coffee-machine business had become a replacement market. No growth, no margin, no innovation to speak of. So, in a classic combination-of-strengths approach, Nestlé licensed appliance brands (the strongest in each of their key markets) to produce new Nespresso machines. Nestle took care of the coffee (capsule) distribution, the appliance brands delivered the machine sales and George Clooney took care of the "accessible-connoisseur" image. A clever coalition: What else?

PROS AND CONS OF THE
FOUR CO-CREATION TYPES

1 Crowdsourcing

Loads of new ideas	Hard to manage
Everybody benefits	Could be mediocre
PR value	Short-term impact

2 Community co-creation

Drives engagement	Business model unclear
Fast breakthroughs	Tough to start
New business opportunities	Endless debates

3 Coalitions

Combination of strengts	Legal/IP and governance issues
New strong ties	Slow process
Investment in the future	'Whole new enchilada'

4 Expert co-creation

Spreading a philosophy	Skills required to run
Focused approach	Results are unknown
Mandate and momentum	Needs mentality shift

— Pros   — Cons

Expert co-creation

In expert co-creation, an initiator seeks out and handpicks a number of expert participants to crack a complex and time-pressured challenge they face. Sometimes, a question is so multi-faceted or new that there is simply no existing experience or expertise available. For this section we will address a case from KLM.

A destination in itself – The KLM Crown Lounge

Facing severe and long-term reconstruction work at its home-base, Amsterdam Airport Schiphol, KLM decided to use this disruption for a full overhaul of their crown-lounge facility, creating a new flagship business lounge.

Rather than opting for a "beauty contest" between architects, KLM hired us to create a vision and strategic concept that would serve as a starting point for management discussion and briefing to design. The question was: How to bring to life KLM's "Premium & Dutch" positioning, in a physical lounge space that might become a destination in itself? In the travel and hospitality world, many things are glossed over and labeled "Luxury". Moreover, most airline lounges look alike, mimicking luxury hotels but often cutting corners to keep costs at an acceptable level. To break this mold, we brought together a group of experts including trend analysts, "New Luxury" hotel developers, frequent flyers, Dutch Design gurus, marketing innovators, Newspaper travel editors and even a professor specialized in the relationship between spatial design and brain activity. Together, we identified a number of key topics to address. Top of the list were (a) The sea of sameness, i.e., the lack of "sense of place" and (b) The one-vibe-fits-all nature of many travel lounges. Collaboratively, we created a concept based on "the lounge as a city", with various "neighborhoods" to accommodate the different time-zone-related needs and energy levels, rather than a single space that is programmed to fit with local time: four zones. Following the metaphor of Amsterdam neighborhoods, two are calm: one for work (Zuidas) and one for meditative peace or workout (Vondelpark); two are vibrant: one for conviviality (Jordaan), the other for inspiration (Museum District). Links to actual Amsterdam institutions (like museums and music venues, restaurants, stores, and galleries) further emphasize the feeling of having "really been in Amsterdam". It opened at Schiphol in November 2019.