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Value creation in education and company partnership: case study

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Abstract

Public private partnerships and cooperation between universities and companies have been studied widely. Universities of applied sciences and their role in supporting small and medium sized enterprises has also long been on the agenda. The aim of this study was to understand value creation in partnership with secondary level vocational education provider and companies. The focus was in describing and understanding the future products/services and expectation for partnerships. The qualitative case study focused on cooperation with forerunner companies in service sector. Future value lies in competence development, competence gap detection as well learner support functions. Companies will increasingly be looking for outside resources in their recruitment, competence management as well as service development schemes. They are also ready to bring the partnership into strategic level. Apart from common value creation ground, developing its own processes was essential for education provider. Defining strategic aim and business model would support this development.

Keywords: Business model, customer focus, education, strategic partnership, value creation

Track: Inter-Organizational Collaboration: Partnerships, Alliances and Networks

Word count: 6 411

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1   Introduction

The reform of vocational education in Finland (Ministry of Education and Culture, 2017) aims to respond more swiftly to the changes in work life and operating environment and to adapt to individual competence needs. At the same time, the financial system will change. Half of the funding will be based on performance and impact by 2022, not on the number of students as earlier. Thus, education providers are expected to be more effective while there are fewer financial resources available for education.

Educational institutions are increasingly seeking cooperation with industry and companies as the government and national curricula widen the part of on-the-job training and real life experience of the students. It has also become common to make written partnership agreements between the parties. Eddy and Amey (2015) describe the process of building strategic partnerships in higher education. However, it seems that partnerships have mainly been built without deeper consideration about their long-term aim and value creation. The focus of partnership and alliance studies has been on finding, building and maintaining partnerships as well as their success factors. Public-private partnerships aiming to deliver more with less by adding private sector responsibility and risk sharing are according to Dewulf, Blanken and Bult-Spiering (2011) shifting towards long term relational contracts with high degree of trust. Public-private partnerships in education (Chakrabarti and Peterson, 2009) vary in forms and structures as well as the extent of participation. Effects also vary substantially depending on conditions, policy as well as the design of empirical methodology.

Partnerships and their research perspective has changed following the changes in the society and industries. The industrial era was viewing cooperation through subcontracting and suppliers. Information society made information the core asset of the companies. According to Ståhle and Laento (2000), strategic partnerships form a critical competitive element in dynamic company environment. In this framework, knowledge capital is a crucial element for value creation and maintaining competitive advantage. Partnerships are organized in networks with multilevel and wide connections. Multiple contracts, their chains and networks, from subcontracting up to strategic and virtual partnerships, are forming these networks. Competitive advantage is formed by the integration of competencies and the partners must have something to bring in. It is essential to recognize the knowledge capital of the partners and to connect them in optimal way on the value chain. In order to understand and manage value creation qualitative meters are necessary in addition to quantitative ones. (Ståhle and Laento, 2000.)

When studying value creation in information intensive services Jaakkola and Hakanen (2013) remark, that the joint process between the buyer and seller has been studied widely, but the value creation has received too little attention. Literature analysis by Skarzauskaitè (2013) also revealed a lack of conceptual and, even more importantly, empirically tested models for managing value co-creation. Thus, understanding value co-creation as well as how the parties experience it, is valuable.

When service society and service logic strengthened, partnerships adopted this approach as well. Grönroos (2008) would develop industrial service logic further based on growth, innovation and value approach. Vesalainen (2010) brings in a new perspective by adding strategic capabilities in the equation, even though the approach maintains the supplier and subcontracting view. Finally, in the innovation era, partnerships are clearly a part of key processes and resources in the creation of new business models (Chesbrough, Di Minin and Piccaluca, 2013) in addition to increased customer focus. In this study in-depth interviews aimed to discover the current understanding of partnerships and their value creation as well as the future expectation.

The service sector is growing and increasingly employing new people in the future. Being the major employer sector, it has already gained long-term experience in partnerships and co-creation. As a forerunner, it was chosen to deepen the understanding and reflect the future expectations. The partnership companies were selected based on long-term intensive cooperation evaluated by their main cooperation partners from the educational institution.

The main purpose of the study was to describe and understand value creation in partnerships. The initial framework used was the strategic framework for customer relationship management (Payne and Froh, 2005), because several partnership segments were included in the first phase of the study. During the research process, it became obvious that understanding the business model is crucial for understanding future value creation. The concept was also important for understanding the partnerships logic as well as perceived value creation in the analysis phase. The literature review therefore covers partnerships and value creation together with business models. Research process and questions, methodology as well as findings and discussion are followed by conclusions.

2 Literature review and research

2.1 Partnerships

Bendell (2011) defines partnerships as an arrangement between two or more organizations for reaching a shared goal or interest, where the benefits and risks are shared. Strategic partnership aims according to Ståhle and Laento (2000) in combining knowledge capital in order to gain significant strategic advantage. Eddy and Amey (2015) see strategic partnerships as a conscious choice for achieving strategic objectives, specifying the priorities and supporting change within the organizations. Successful partnerships fulfil according to de Mann (2013) three purposes: enable value creation, protect the partners' interests and facilitate change. Value creation is the primary aim and without it, the partnerships are not even worthwhile. In the context of education, knowledge or competence are the main products. Developing products and responding to the requirements for effectivity and impact strategic partnerships as essential in order to improve processes and gain strategic advantage. Funding is depending on them as well.

Understanding the needs of the customers is the first requirement for selecting strategic partners (Arantola and Simonen, 2009). The best partnerships also yield better results than any partner could reach by itself. Partnerships require a shared vision and broader perspective for operations than one organisation has. When the common aim is clear, one has to decide, what the organization is ready to share and what to partner is expected to put on the table. Some core competencies may be according to Chesbrough, Di Minin and Piccaluca (2013) critical for success but also risky to share. Enabling competencies such as process, functional or resource capabilities may improve the overall results of the alliance. When these competencies have been defined, the business model can be generated and future development trends defined. Partnerships as well as customers can be observed from the offering perspective (Sariola and Martinsuo, 2014). Service offering can be developed in three directions: Broadening the offering produces a service solution. Deepening the partnership produces a service package. Developing both dimensions produces an integrated solution. It is important to define, what the central objective of the partnerships is and how deep it wants to aim.

The benefits of partnerships are according to Ala-Mutka (2008) difficult to assess. Story telling often serves as the means for sharing them. When creating a model, six basic questions need to be answered: aim, competitive position, offering, revenue model, value network and capabilities. Finding answers to these questions might deepen understanding of value creation. At the same time, they connect partnerships into value creation and business model thinking. Huxman (2019) defines

benefits of partnerships between companies and public organizations as collaborative advantage. There are several common bases for collaborative advantage: access to resources, shared risk, efficiency, coordination, learning and moral imperative.

2.2 Value creation

According to Jaakkola and Hakanen (2013) value is created, when the parties join and use resources in cooperation with other organizations. The value is defined subjectively based on the benefits and sacrifices generated by the process or interaction. Korkman and Arantola (2009) define, that value can be created through comprehensive interaction, where an organization offers its own resources to be used by the customer. If the service entity fits the customer's practises, the interaction process then creates value. According to Heinonen and Strandvik (2015) value is created in two different processes, which are separate but interrelated: customer value creation and supplier value creation. Service business logic detects value creation, when the supplier makes the value proposition, but the customer does the actual value creation for himself. Grönroos (2015) is in line with this by stating, that value is created in the customer's processes supported by the supplier's resources and processes. However, Grönroos (2008, 2011) as well as Payne, Storbacka and Frow (2008) indicate, that the interaction process can facilitate joint value creation. According to Prahalad and Krishnan (2008) as well as Ramaswamy and Ozcan (2914) value as co-created. In addition, Grönroos (2011) evaluates, that the role of the supplier may vary depending on the effect it may have on the resource allocation.

It is clear that value creation is perceived differently depending on the business logic and the depth of the cooperation. Customer Relationship Management Framework by Payne and Froh (2005, Picture 1) was chosen as the initial framework as partnership relationship can in early stages be compared to customer provider relationship. It also contains the whole process of management.
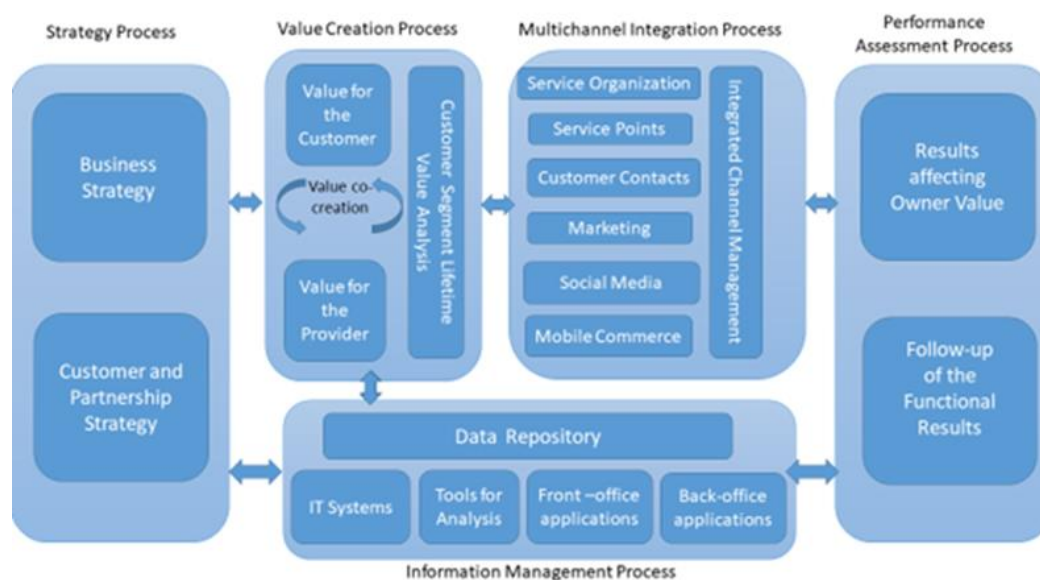
Picture 1. Modified Customer Relationship Management Framework

Here companies are seen as customers. Value is separate but co-created and mainly perceived as financial. The processes in this conceptual framework apart from strategy are value creation, multichannel integration, performance assessment and information management.

Wirtz (2011) binds value creation and business model tightly together. Moreover, according to him it is not even wise to examine them apart from each other. The structure of value creation defines business model and vice versa. The business model for its part defines the actors and interactions as well as the partial model of functions. This partial model can according to Wirtz (2011) be technology, research and development, production or customer driven. The first two sub models have been studied widely from the perspective of information and know how intensive businesses. Production driven sub model is in its simplest form traditional subcontracting. Customer driven sub model is more difficult to perceive, because it requires the combination of the other sub models as well. It has also been less studied than the other models. In educational context, customer focus in increasingly important as the reform emphasizes individual competence needs. However, to use business model as a framework would be difficult in multisectoral studies as well as because there is no unified definition of it. Even though understanding business model is crucial for understanding value creation.

2.3 Business model

Business model concept gained wider use between 1998 and 2001 by the expansion of Internet. Its content also turned emphasis towards value creation, tacit knowledge, profit models and electric commerce (Wirtz, 2011). Business model development has after its early stage had formation and differentiation phases (Wirtz et al., 2016). Differentiation phase started around years 2003. There can be distinguished three different orientations: technology, organization theory and strategy.

The concept of business model is wide and there is no unified definition of it. Independent of the definition it states, how value is created, captured and shared in the business operations (Osterwalder, Pigneur and Tucci, 2005). When comparing different definitions, four common elements can according to Bowman, Haaker and De Vos (2008) be found. They are service concept, technical architecture, organizational arrangements and financial commitments. According to Andreini and Bettinelli (2017), all business model definitions are converging to the idea, that it represent the logic of how the firm creates value. It can include value propositions as well as delivery, capture or sustainable creation of competitive advantage.

Johnson, Christensen and Kagermann (2008) describe business model as a combination of four elements: customer value proposition, profit formula, key resources and key processes. Mason and Spring (2011) find three key elements, the technology, the market offering and the network architecture. Osterwalder and Pigneur (2010) divide business model in four pillars and nine building blocks. The pillars are product, customer interface, infrastructure management and financial aspects. Service logic business model canvas (Ojasalo and Ojasalo, 2018) modifies this model to take into account the service orientation. This means keeping customer focus in centre. This also enables rapid prototyping of new business models.

When analysing different definitions of business models Giorgini, Barnabé and Paolicelli (2017) detect three different levels: conceptual descriptions, common characteristics and real word conceptualizations. They also find a distinction between business model and organization´s strategy. In some business models strategy is a component of it. In others, it is an external driver for business model creation and evaluation. Casadeus-Masanell and Heilbron (2015) argue that business model is too close to strategy to be useful as a detailed description. According to them the dynamic capabilities approach identifies the opportunity to capture value. They also introduce a concept of ambivalent value, which is negotiable between companies and business model might be the means of doing so. Newth (2012) combines business model with five other functions in business model-centric organization: financial management, strategic direction, competitive advantage, strategy and innovation.

Chesbrough, Di Minin and Piccaluca (2013) redefine their business model and divide it into three parts: action approach, product or service approach and the offering from the customer perspective. These are interrelated and affect the financial factors. Actions approach consists of key processes and resources as well as partner network. They together create the offering for the customer. Amit and Zott (2012) detected four value drivers for business models: novelty, lock-in, complementarities and efficiency. Batocchio and Minatogawa (2017) introduce an evaluation method for assessing business models as well as which initiatives could make the company competitive. They apply a generic framework, where value creation and value delivery are the main parts. The main questions are the following: How value is created and what is created value, how value is delivered and to whom and how value is captured?

Business model definitions seem to be changing by time (Wirtz et al., 2016). No matter how the business model is defined, there are several parts or pillars, where partnerships could make a major difference. Partnerships may affect both the key activities and key resources of the organization. They can have a major impact to the offering as well. Building a new business model may require elements outside the organization to be achieved by agreements or strategic partnerships. Keeping customers and their needs in focus may require new elements in business model that are only available by partnering s well.

2.4 Research

Alliances between companies as well as their success factors have been studied widely (Kanter, 1994; Dyer, Kale and Singh, 2001; Holmberg and Cummings, 2009; Bendell, 2011; de Mann, 2013). There exists fewer studies on public private partnerships, which focus on shared value creation or business model development and innovation.

How to foster innovation and growth within small and medium sized companies' networks has been studied in order to define the role of social capital and intermediaries (Iturrioz, Aragón and Narvaiza, 2015). According to the study, companies need to open up for cooperation to develop sustainable cooperative advantage. Shared innovation can only be achieved in specific social context. Existence of intermediaries, such as education institutions is necessary for extracting value from the social resources to promote shared innovation among the companies.

Lewandowski (2017) brings up public management's role in adjusting business models to circular economy. According to his study, public managers may have a significant role in enabling and enhancing circular solutions adoption. This could apply to educators as well. Beckett and Chapman (2018) have studied purposeful networking in conceptual framework including innovation framing, innovation as a personal process and perceptions of dominant business model when studying small and medium sized manufacturing companies. They suggest that further studies should be conducted on networking activities and multiple generic learning cycles in this context. This could also serve the research into the dynamics of innovation.

Andreini and Bettinelli (2017) list thematic areas for future research in business model innovation. Among the drivers are networking and cooperation. Also Wirtz et al. (2016) found in their survey for future fields of research, that interactions ranked first in relevance for individual business model studies. Top future research methodologies in the field were theoretical deduction, large-scale surveys and case studies.

3 Research process and questions

The qualitative research process was conducted following hermeneutical cycle (Giddens, 1993) aiming at deepening the understanding of partnerships and their value creation. It had finally four partly separate phases.

The study began with a Partnership forum arranged to reflect partner segments' perceptions of partnership development based on the Customer Relationship Management Framework by Payne and Froh (2005, Picture 1). This framework was chosen to picture value creation in different partner segments. The seven segments were contractual, working life, development, industry and employment, education, entrepreneurial and internal partners. Participants of the forum were individually selected long-term cooperation partners representing these segments.

The questions for the segment teams were the following:

1. What are the ways for delivering value by the partnership in the future?
2. What communication channels would further enhance partnership development?
3. What kind of follow up information and meters would help to evaluate the success of the partnership?
4. Does the development require some joint information systems?

The second phase of the study was carried out by in-depth theme interviews. It aimed at deepening the understanding of value creation. Service sector was selected as the field of the study being the forerunners in the field of cooperation. Three company and three education partners were interviewed. The themes were the following:

1. What value is delivered in the partnership? With what products or services?
2. In addition, in the future?
3. What processes are needed for value creation? What processes need to be developed?
4. How do you evaluate success of the partnership? Possible indicators?
5. Other wishes or things to be taken into account?

In the third phase, the results of the content analysis of the thematic interviews as well as the findings from the partner forum were further developed by a co-creation workshop by the interviewees. Its aim was to both verify and evaluate the findings of the interviews as well as Partner forum. At the same time, it was possible to envision future products and services as well as the processes and competencies needed for them.

In the fourth phase, the theoretical view was further widened by business model approach. The whole research data was observed through broader theoretical view including partnerships, value creation and business models (Chesbrough, Di Minin and Piccaluca, 2013). The objective was to describe current partners´ views of partnerships and their developmental needs. The four research questions covered future products and services, value creation, future partnership needs and the evaluation and measurement of a successful partnership:

1. What kind of products and services are needed for delivering joint value in the future?
2. How the actors describe and define value creation?
3. How to evaluate the success of the partnership?
4. What kind of partnerships are needed in the future?

4   Methodology

4.1 Research method

Qualitative case study methodology was used, because it is well suited for describing and deepening understanding of phenomena. Case study is as well a valuable tool for widening understanding of phenomenon under development. It also brings specificity and sense of complexity in the implementation of the research (Koskinen, Alasuutari and Peltonen, 2005). Methods for understanding the meaning of different functions are according to Tuomi and Sarajärvi (2009) interpretation and therefore case study and hermeneutics. In this study one educational institution and its partners as well as three of its core service sector partners formed the study unit. The partners were chosen as being forerunners in cooperation and thus best informants on partnerships and their future development.

Yin (2003) recommends that when applying case study methodology it is preferable to use multiple methods and material sources. Here information was gathered in two sequences. In the first phase, a partnership forum teams looked for the future of value creation by products and services as well as channels and indicators needed. Functional method called dartboard was used. The domain of value creation was further studied by theme interviews. Both members of the target organization and partner organisations were covered. In the final phase, the results and the potential new areas of partnerships were evaluated in a workshop. All the material gathered was analysed driving from both the material and theory. The study thus formed and hermeneutical sphere, where the understanding of the objective was broadening along the course of the research.

4.2 Case organization

The secondary level vocational education provider serving as a case organization was among the ten largest in Finland. It is located in the Southern part of the country near the capital region. It is functioning in all the possible educational sectors with around 6 000 students. The annual turnover was 63 million euros in 2016 and number of employees 660.

It is owned by seven municipalities from the region and has 13 different campuses. The strategy, organizational structure and functions were all in a development phase because of the national reform and anticipated changes in the guiding and funding systems.

4.3 Acquisition of the research data

The information gathering was conducted in several phase by using qualitative methods as recommended by Yin (2003). First, facilitated teamwork was used in the partnership forum arranged for selected partnerships segments. Value creation was further studied by in-depth theme interviews. Main cooperation partners from both organizations were interviewed. These six interviews were recorded. Open interview questions help to find answers to experiences, perceptions, opinions, feelings and knowledge (Patton, 2002).

Theme interviews are an appropriate method for holistic information acquisition in qualitative research. It favours human beings as the means of information gathering. The themes or interview guidelines list those questions or topics, which are to be shed light on during the interview (Patton 2002). In this study the themes were connected to value creation and partnership development. Means for data collection, related research questions and the collection methods used are in table 1.

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<p style="text-align:center">Table 1. Information gathering, research questions and methods</p>

Means	Research question	Method
Partner forum	Value creation, future products and services Partnership success factors	Facilitated teamwork with dartboard method
Thematic interview	Value creation mechanisms Future products and services Partnership success factors	Semi-structured in-debt theme interviews
Co-creation workshop	Future products and services Competencies	Co-creation
Summative findings	What kind of partnerships are needed and why?	Synthesis

4.4 Methods of analysis

The qualitative data from thematic interviews was interpreted by content analysis. The aim of qualitative content analysis is to produce meaningful, clear and coherent information from scattered material and thus add its information value (Tuomi and Sarajärvi, 2009). The analysis begins with dividing the content into pieces, abstraction and rebuilding. The process is based on logical deduction and interpretation. It aims at clear and reliable conclusions.

Theme interview content can easily be divided into themes. It is possible to look for common view, generalization or typical example. Similarity, difference or functional logics can be looked for as well. Theory based content analysis is based on a theme or conceptual map. The content is divided into classes or categories using inductive reasoning. In practice, small phrases describing the phenomenon are gathered and classified.

The recorded interviews were first transcribed and then analysed as a whole. The content analysis was based on value statements and other arguments, which were gathered and classified. The content was clearly divided into two separate classes: value statements and process development statements. Process development statements were all connected to the development of the educational institution. Therefore, the classification was divided into two categories: company and educational institution. The chosen unit of analysis was value sentences, which were then classified in representative categories.

Findings from the first two phases were used as the source for the co-creation workshop arranged for the interviewees. For more in depth analysis of all the findings of the study were further analysed using theory-based content analysis. This made both data and method triangulation possible.

5 Findings and Discussion

The Partner forum result described value delivery as well as future products and services by partner sectors. With seven different segments, it was obvious that there is vast variety of future expectations. Attachment 1. gives indication of the elements needed in the future partnership building found in the forum. When analysing the theme interviews the common thematic categories found were the following: resources, ideation and tailoring, systematic approach and competence, customer understanding and experimenting, new services, knowledge and future perspective as well as sales, communication and evaluation. From the education provider perspective additional themes were mainly connected to strategy and development of internal processes.

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As there were several means of data gathering and analysis, the findings are be presented and discussed separately by each research questions.

5.1 What kind of products and services are needed?

Combined with the theme interview analysis the key products are competence development, detecting competence gaps and supporting learning processes of individuals weather in school or company surroundings. Systemic service development needs were also detected.

> *"It is essential to develop competencies. How to map personal competencies will become increasingly important. We do not actually know if people can what they are expected, we just trust that competencies are on the right level."* (C2)

> *"We are trying to see the customer functions and what we can do to develop them."* (O1)

> *"It is valuable to fluff together, what products we have and how they could further be tailored for customers."* (C1)

> *"Systemic concentration and functionality of services is important for us locally."* (C1)

The main future products detected are competence and competence gap identification, as well as support for the learning process of the learners. Systemic service development was also anticipated. This would according to Sariola and Martinsuo (2014) mean that both dimensions deepening the partnership and broadening the offering are necessary. Developing only one of the two dimension was also visible as service package and service solution development.

It is surprising that financial aspects did get minor attention compared to future orientation, co-creation and dealing with change. This might be due to the nature of the partnership together with an education provider. In this context, it might be useful to use the concept of ambivalent value introduced by Casadeus-Masanell and Heilbron (2015).

5.2 How the actors describe and define value creation?

Value creation descriptions have many dimensions: ideation, tailoring and increasing customer understanding as well as flexibility, ability to change and restructure, learn and innovate. These organizational capabilities can be enhanced by well-functioning strategic partnership with an educational institution.

> *"In partnership joint activities are deepening and getting better."* (C1)

> *"The partner thinks what possibilities there is to find more knowledge and continue development in cooperation."* (C2)

> *"If we could reach such situation and we would be taken as development partners, then value could be created for both partners."* (O3)

> *"I do not know, it could be something, I do not know that even exists. In this rush I do not even have enough time to concentrate in the development side."* (C3)

Value creation is characterised as development partnership, where new services and ideas are

created and tested in order to form the basis for the future competitiveness. De Mann (2013) as well as Eddy and Amey (2015) share the opinion that strategic partnerships support and facilitate change. The development and change emphasis was also found in this study. One of the partnerships companies was actually implementing change management through the partnership.

The partners also perceive that they gain something they would not otherwise have. Value is also perceived co-created in cooperation activities. This could be called collaborative advantage (Huxman and Vangen, 2004).

5.3 How to evaluate the success of the partnership?

Evaluating the success of partnerships produced a mixed set of findings. Even though the base line and effectiveness were mentioned, the emphasis was in evaluating the success together or at least at the customer interface by using customer satisfaction assessment.

> *"Common evaluation, how we succeeded."* (C2)

> *"We should be able to evaluate success at the customer interface."* (O1)

The success of the partnership can only be evaluated together based on the jointly agreed targets. Qualitative methods are needed as well. Thus, success should be measured with qualitative methods developed and agreed together as Ståhle and Laento (2000) suggest.

5.4 What kind of partnerships are needed in the future?

Findings concerning the future partnership development indicate that companies are willing to development partnerships further. They would even take the educational institution as a part of some of their core functions such as recruiting, familiarization, innovation and change management processes. To be successful, the business model and strategic aim especially of the education provider would need to support these joint actions.

> *"I think partnership is more than cooperation, that you could kind of a think from our perspective."(*C3)

> *"What do we lack to be able to serve our customers better? (Partner forum)*

> *" We should somehow know maybe even strategically, what kind of openings, networks, operations and end result we are aiming at together with the working life."* (O2)

> *"But just that, are we going to be those flexible new service and product innovators? This is the key question for our survival."* (O3)

It was clear that the partners are clearly ready to move towards more strategic approach. Defining future partnerships requires strategic decisions and choices made on the business model. A clear vision and future objectives for the cooperation are needed in order to develop the partnerships further. This would also mean a concrete action plan and defining the steps needed for attaining the vision. Joint processes have to be in perfect order as well. Strategic partnership requires a broad view of the future. It is connected to both the vision and strategic choices to be made by the organization enhancing development of business model as well as processes.

Widening the offering for new services and service packages as well as systemic level cooperation, could benefit from strategic partnerships. In addition, partnership could serve as a channel towards the clients and help to develop monitoring and information management processes. Studying value creation in the end brings up the questions about business model and strategy. Compared to different orientation of business models (Wirtz et al., 2016) strategy seems to be the one emphasized here.

Grönroos (2008; 2011) combines growth, innovation and value. Newth (2012) as well has a wide view of business model that combines financial management, strategic direction, competitive advantage, strategy and innovation closely to it. This in in line with the findings of this research. I would also adopt the opinion of Giorgini, Barnabé and Paolicelli (2017) that strategy and business model are separate components, where strategy is an external driver for business model creation and evaluation. In accordance to Newth, strategic direction or vision for cooperation and partnerships was the component interviews were longing for. Clearly, there is a need for organizations to better understand the business model and to understand both theory and practical solutions in order to do so. It is also essential to better understand the connection to both value creation and strategy.

Bringing in strategic partnerships to increase flexibility and potential to innovate by sharing resources makes the future business model even more challenging. In this study business model as a phrase was not mentioned. The theory-oriented content analysis of value statements brought it into the picture. Service logic business model canvas (Ojasalo and Ojasalo, 2018) could be used to prototype and evaluate the adequacy of new business model creation through partnerships as well.

5.5 Summary of the findings

The key research findings by each research questions are summarized in table 2.

Table 2. Research questions and key findings

No	Research question	Key findings
1	What kind of products and services are needed for delivering joint value in the future?	Most important products are competence and competence gap identification, support for the learning process as well as systemic services
2	How the actors describe and define value creation?	Helps to challenge and develop. Raises up future and new perspectives. Gives more flexibility and resilience.
3	How to measure the success of the partnership?	Partner satisfaction meters Co-evaluation Cost efficiency
4	What kind of partnerships are needed in the future?	Development partnership Strategic partnership Connection to the business model

The co-creation workshop was organized after the content analysis of the interviews aimed to both verifying and evaluating the findings from the interviews as well as Partner forum. The other aim was to build a picture of the future possibilities shown in Table 3. Modified Ansoff's matrix (1972) was used for describing the findings in fourfold table using dimensions of existing and new partners as well as existing and new fields of cooperation.

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Table 3. Expanding partnerships

	Existing Partners	**New Partners**
Existing Fields of Cooperation	Market penetration: Existing programmes Existing competence areas Tailored products Company services	Research and Development: New competence combinations Tailored services Matching services Virtual services
New Fields of Cooperation	Market expansion: Systemic services Channel studies in new programmes Service process development Competence networks Focused competence	Diversification: Education export New service processes Immigrant services, Career services Novel channel studies New learning environments

These examples are of course country and partly partnership specific representing some existing possibilities. Anyway, they demonstrate what possibilities partnerships could bring in finding new products and markets. The other conclusion was that customer relationship management framework and segment based analysis was not adequate to explain the future needs for partnership development. Rather knowing value creation elements of both parties and understanding their broader connections was essential.

Co-creation workshop concluded that customer relationship management approach was disturbing the analysis from the partnership perspective. In addition, the educational institution was highly focused on developing its customer relationship management. Because of this, the value statements clearly connected to customer management processes were excluded for a new content analysis. In this analysis following common thematic areas were detected:

- development of the business and offering
- up-to-dateness of information, knowledge, competence and learning
- development partnership
- building the future, flexibility and resilience
- creating new, co-creation
- functionality of the processes

The common thematic areas found are important elements of the value creation as well as business model. Developing the business and offering is the basic ground for the survival of the business. Partnerships and capabilities are parts of a pillar of the business model (Osterwalder and Pigneur, 2010). The capabilities emphasized in this study were dynamic capabilities such as resilience, flexibility and ability to learn. Newth (2012) aligns resources into capabilities and capabilities into competencies that form competitive advantage. The strategic imperative is change and choosing the right strategy for business model.

Apart from the common themes found, the education provider had in addition a strong need to define strategy and business model to support partnership development. Andreini and Bettinelli (2017) define value creation as the core of business model. It also drives competitive advantage.

Newth (2012) describes competitive advantage as a result from competencies developed from dynamic capabilities and resources. In this education provider can be an extremely valuable strategic partner, as competence development is its main product. This is what the companies anticipate the future products and services to be as well. Huxman and Vangen (2004) call this collaborative advantage and competence needed for it collaborative competence. Competence development is the main future product as well.

Even though co-creation was emphasized, there seem to be a variety of interpretations for value creation. Different perspectives or orientations found were separate and facilitated, customer orientation, co-creation orientation as well as innovation and development orientation. This is in accordance with the theory (Korkman and Arantola, 2009; Jaakkola and Hakanen, 2013; Grönroos, 2015). Value creation is subjective and qualitative evaluation methods are needed. Resources may be perceived joint or separate (Jaakkola and Hakanen, 2013). In this study resources were not discussed separately. Nevertheless, value statements reveal that education provider is expected to bring its resources for joint use not vice versa.

Different orientations mean that framework could vary from the customer relationship management (Payne and Froh, 2005) to product, service or value-oriented business models according to the developmental state of the partnerships. Value creation remains the core on strategic level partnerships (Andreini and Bettinelli, 2017) where business model should be used as the framework.

6 Conclusions

6.1 Theoretical implications

Value creation and partnerships are wide and ambiguous concepts. This is why it is essential to widen understanding and create methods to support their evaluation together with strategy development. This case study only gives some indication of the future trends. Even though, it is limited in its scope, it indicates that there is a need to understand better the connections between strategy, business model, value creation, partnerships and competence development in order to create future value and competitive advantage.

When value creation and partnerships were discussed together, it was found obvious that understanding both would require a wider theory base. This is why business model and strategy are valuable tools for understanding future partnerships and their value for the partners. On the other hand, could strategic partnership serve as a means for developing business model? This is especially valuable question for small and medium sized companies, who often lack resources and competence for creating competitive advantage.

6.2 Managerial implications

Strategic partners are not easy to find and maintaining fruitful cooperation throughout the organizations is difficult to manage. They could still give the flexibility needed to maintain competitive advantage in the future. This may partly be due to requirements for new innovations as well as effectiveness of business models (Wirtz, 2011). The role of strategic partners can be essential for both apart from other roles partners can adopt in value networks. Manager would need to have wide strategic and cooperation skills as well as understanding of the different developmental phases of the partnerships and their possibilities for value creation.

Secondly, strategy, strategic objectives and business model define the need and possibilities for beneficial strategic partnerships. If the business model is not clearly understood and adequately communicated by the managers, it is unlikely that partnerships could flourish. They require cooperation and links at all levels of the organization.

Thirdly, competence and competence management are the core of future value, product and services in education company partnerships. According to Newth (2012), it is the core of competitive advantage as well. Capability and competence building is a crucial part of future value creation and success. Strategic alliances (Newth, 2012; Dyer and Sigh, 1998) and partnerships are means for adding strategic resources, dynamic capabilities and competencies, or strategic capabilities as Vesalainen (2010) calls them.

6.3 Limitations and future research

This study was conducted as a one-unit case study of an educational institution and its company partners. This does not mean that the results are not useful, because the purpose was better to understand the nature of the partnership and its perspectives. The theory may also give a foundation for systematic development of partnerships. As the companies used were forerunners, other companies can benefit as well. The persons interviewed were selected based on their visionary or forerunner status as well.

The partnerships companies were from the service sector. According to Wirtz (2011) value creation and business model, the partial model or logic affects the whole concept. Services are customer driven. The whole model structure might look different if technology, research and development or manufacture where the driving logic. This might also be an area for future research. Does value creation have different and what dimensions when the business logic varies?

Finding common themes and differences between company and educational institution ways of interpreting value casts light into partnership and its future development. It also gives for the educational institution information about potential new services as well as process development needed. This study used the view of working life partners in this limited context. The findings would look different when approaching them from the individual leaner´s perspective.

Strategic partnerships could also serve as a tool for regional development. Different customer and supplier segments might need enlightening as well. Suppliers were not included in this study. It could be fruitful to study the differences and continuum from suppliers to customers and strategic partners. Different partnership models and their success factors still need enlightening as well.

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Value creation in education and company partnership: case study

Attachment 1. Elements of the partnership building and value creation (Partner forum)

Element	Description
Common goal and vision	• future employee • eager and motivated learner, who has right attitude towards work together with professional pride • long-term cooperation and future view • tailor-made offering for the education customers
Benefits	• helps to achieve and maintain quality • right match, follow-up, evaluation and decision making • parallel benefits with altering, moving goal • genuine needs and solutions' offering
Strategic objectives	• designed on-the-job learning • guidance at the work place and for working life, accompanying graduates to working life with constant feed-back • company attendance from the beginning of learning, deepening the on-the-job training • supporting the working life, both the trainee and the coach
Targets	• working life and its development, work process development, competence development: competence recognition and detecting competence gaps • modelling the development of capabilities • doing the right and important things, basic capabilities have to be achieved
Process building	• common goal and accomplishment, orderliness, clearly defined roles, measurable results • designing service processes together, anticipation, forgetting the fast bucks • describing needs and wishes, brainstorming, joint meetings, , listening and interest, continuous interaction, customer panels, experimenting and finding our service needs • trustworthy and open cooperation across the industries and sectors • network-based
Execution	• broadening the partnership, confidential relationship and cooperation • enabling networks, experimenting and benchmarking– groups • systematic anticipation of the future, research, development and innovation services • service menu: network courses, change training, games and videos • flexible, personalized learning paths, educational channels • supporting young people becoming effective members of society
Capabilities	• knowledge of the working life and business model of the company • problem solving and communication skills • knowing of the industry and domain, competence development • changing role from educator to trustworthy consultant