

## Factors of successful client co-production in knowledge-intensive business services – Case study analysis.

### Abstract

**Purpose:** This paper aims to explore the topic of client co-production in knowledge-intensive business services (KIBS). The paper first sketches a theoretical background and reviews previous studies on factors affecting successful client co-production in such companies and then examines these factors via case study research among a small KIBS company and its five customers.

**Methodology:** The paper is based on an in-depth analysis of literature devoted to client co-production in KIBS firms and on the results of case studies analysis. The authors explore theoretically and empirically the perception of factors behind a successful client co-production process of a KIBS company from the point of view of both customers and service provider. The examination resulted in the clarification of what a successful client-KIBS firm cooperation should look like and what kind of actions KIBS firms should undertake to provide it.

**Findings:** As the analysis shows, to perceive client-KIBS firm cooperation as successful, customers desire on hand immediate effects that would justify and compensate their time and money investments (e.g. new clients or brand recognition) and on the other hand, some of them desire positive changes in longer term, which tangible form is associated with the newly obtained knowledge and more importantly, freshly developed and written strategy. Among the factors that influence the co-production process one can list teamwork, trust, communication and knowledge flows.

**Research limitations:** Research results are limited to one KIBS company operating in Poland and its five customers. As such, they are not conclusive for the whole KIBS sector.

**Research implications:** The findings of both literature review and case study analysis indicate that there are several outcomes that are expected from the point of view of a KIBS customer when selecting the service of a KIBS company. The paper examines important aspect of service co-production and provides practical guidelines how cooperation between KIBS firms and their customers should look like.

**Practical implications:** The paper examines the relation between a client and a KIBS company and explores the factors influencing the successful outcome of this relation. The paper provides guidelines how this type of relation should be handled by managers or owners of KIBS firms.

**Originality/value:** The paper contributes to the literature on KIBS firms, especially in the scarce area of practical mechanics of their cooperation with customers. The paper also suggests further research possibilities in this area.

**Key words:** service co-production, KIBS firms, case study, Poland

## 1. Introduction

Service industry or the tertiary sector of economy is commonly known to be the dominating force of economic development in the well-developed countries such as the members of the European Union (Drejer and Vinding, 2005). While there are multitudes of different types of service companies, their contribution to the general growth of the welfare of nations is also diverse. Among the firms that seem to have the biggest chances to make an impact on the future of economy, there may be these which are able to catch-up with the passing time or even go ahead of it. Therefore, in the so-called knowledge-based economy, a large chance to make a positive footprint should have the service companies which utilize the nowadays most important resource – knowledge (Bujdosó *et al.*, 2016). Among such, knowledge-intensive business services firms (e.g. the professional and technical services connected with IT, finance and education) are widely known to make a big contribution to the economy (Wood, 2006; Ferreira and Fernandes, 2011; Pino *et al.*, 2016). But for some of those companies, notably those which operate in business-to-business (B2B) model, like for example business consulting services, the degree of influence may be difficult to be measured, at least from the statistical point of view, because of their close cooperation with their customers. Their output is often linked with Intellectual Capital (IC), which is a challenging area for research (Mouritsen, 2006). Thus, assessing the role of such firms in modern economy

may be a task of more scrutinized, qualitative research. The topic of this paper resolves around knowledge-intensive business services and aims to contribute to the research on their role in modern economy.

Close cooperation with customers is one of the characteristics of KIBS companies most frequently mentioned in the literature (Bettencourt *et al.*, 2002; Lehrer *et al.*, 2012). High degree of service personalization forces involvement of clients in service production process, increasing interdependence of parties in a common goal of value generation (Vargo and Lusch, 2008). Effective interaction between the service provider and the clients leads to the creation or the co-production of different versions of the service, well-fitting to the needs of particular clients (Bettiol, Maria and Grandinetti, 2015). The expected large degree of service customization is often necessary for the fulfilment of the client requirements, characteristic for this one particular firm (Muller and Zenker, 2001). As den Hertog (2000) stated, the quality of final result of service depends largely on the nature of interaction and the level of communication between the two parties. During the co-production process, both companies exchange information while looking for solutions for encountered challenges, increasing their respective knowledge bases. According to Bettencourt *et al.* (2002), the nature of co-production is complex, unstructured and of emergent nature and it has not been clarified yet which factors determine the successful outcome of the cooperation between KIBS firms and their customers.

Despite the large significance of the KIBS services for the knowledge-economy and the potentially beneficial effect that knowledge intensive business services bring to their clients by filling their knowledge gaps (Doroshenko, 2012) and solving their problems (Miles, 2005; Herstad and Ebersberger, 2014), still little is known about the factors that potentially influence the successful client co-production of the KIBS services. The aim of this paper is to fill this research gap by first clarifying what is understood as a successful cooperation between a KIBS company and its customer and second, by examining what factors influence this successful cooperation and service co-production. The results of the examination of these factors can be potentially useful not only for the researchers exploring the phenomena in the knowledge-based economy, but also for KIBS firms, which will obtain a model of factors they should concentrate on for a better cooperation with clients. The paper is structured as follows. The next section presents a brief review of the literature on service co-production and potential factors that affect it and concludes with a model proposition. The third section describes the research methodology and the study characteristics. Section four presents the main findings of the empirical investigation, while the last section discusses and summarizes the major results, and illustrates possible implications for research and management.

## 2. Service co-production by KIBS companies and their customers

Before discussing service co-production between KIBS firms and their customers, it is necessary to define which firms fall into KIBS category. KIBS services are provided by companies to other companies or public sector entities in which experience and skills play a particularly important role (Toivonen, 2004). In these services, knowledge is the main element both as the input and the output (Desmarchelier, Djellal and Gallouj, 2013). KIBS firms serve as intermediaries between their clients and external sources of knowledge (Zieba *et al.*, 2017). KIBS firms are important for their clients also due to the fact that they are the co-creators of innovations in these firms (den Hertog, 2000) and they deliver to their clients information, new technologies, new techniques of production and sales, and new ways of management (Pardos, Gómez-Loscos and Rubiera-Morollón, 2007). According to Schnabl and Zenker (2013), the following sections of NACE 2.0 classification can be listed as KIBS firms: Section J, division 62: Computer programming, consultancy and related activities; Section J, division 63: Information service activities; Section M, division 69: Legal and accounting activities; Section M, division 70: Activities of head offices; management consultancy activities (with comment, that if possible, should be limited to only the second part); Section M, division 71: Architectural and engineering activities; technical testing and analysis; Section M, division 72: Scientific research and development; and Section M, division 73: Advertising and market research (Schnabl and Zenker, 2013).

Service co-production is the extent to which a customer is engaged in the production and delivery of a service (Ordanini and Pasini, 2008). Co-production is a common feature of KIBS services, because their delivery requires from the KIBS firm making its business resources available, not only time, attention and personal skills, as is the case for consumption services (Gallouj and Savona, 2009). The first large and widely quoted contribution to the topic of client co-production in KIBS was made by den Hertog (2000). According to him, the quality of final result of service depends largely on the nature of interaction and the level of communication between the two parties (customer and provider). During the co-production process, both companies exchange information while looking for solutions for encountered challenges, increasing their respective knowledge bases. Depending on customer's

needs, KIBS may serve different purposes in the interaction. Den Hertog names some of them, such as: expert consulting, experience-sharing, brokering, diagnosis and problem-clarification, benchmarking, change agency. One can expect that in case of knowledge-intensive business services, the co-production process will be somehow connected with the knowledge exchange and factors influencing it. Ordanini and Pasini (2008) underline the necessity of knowledgeability also from client's side. KIBS performance depends largely on communication of needs by customer, which sometimes requires additional codified technical knowledge or tacit knowledge of daily practices or social dynamics in client's own company. However, client responsibilities generally tend to reach further than just expressing the problem. Researchers provide an example of introduction of an IT system, that would require a range of additional internal changes within customer company to prepare it for a new solution. Combining a need for clear communication with a scope of supplementary responsibilities creates a picture of a client-employee with whom cooperation can be manageable and optimizable.

A more complex view of the co-production is proposed by Martinez-Fernandez and Miles (2006), who proposed two types of relationships that service companies may have with their customers: "jobbing" and "sparring". The first one refers to pre-ordering of a defined solution by the client firm without much interaction after initial expression of requirements, while the second one involves more of a debate over consumer's problem resulting in a knowledge transfer coming from service company. The information exchange between KIBS firm and their clients is considered by the authors to be constant like in "sparring" relationship. In their opinion, knowledge acquired from the client is combined with KIBS company's own understanding based on professional experience. In the end, those are service-givers that formulate the solution, which could be familiar with the "jobbing" relationship. Some clients tend to prefer "sparring" approach which gives them more control about the project, but some also may like the low-effort service-taker position in the relationship. Researchers also underline, that due to nature of such relationship and knowledge exchange necessities it creates, clients are more inclined to trust KIBS provider with strategic information.

This complex co-production relation between KIBS firms and their clients is influenced by many factors. Foremost important factor of successful co-production is quality of communication, which consists of several dimensions, such as "communication openness", defined as willingness for clear and honest information sharing by the customer (Bettencourt et al., 2002). Introduction of complex knowledge-intensive solutions to a company often requires intimate knowledge of client's business processes, strategic goals or market conditions. Some business owners may be reluctant to share delicate data with KIBS company in fear of losing competitive advantage if the information spreads. It is therefore important for KIBS firms to encourage communication openness through pointing out the potential benefits from cooperation and by discussing the confidentiality issues openly with customer. Another dimension of fruitful communication can be clearness in expressing expectations. Due to diverse areas of expertise, market perceptions, previous experiences or even general beliefs, KIBS companies may see the project in a different way than their clients. Failure to provide a clear specification of service (or expectations of results) by the customer may result in e.g. elongation of service implementation process, additional costs or resource usage and generally lower perception of value of cooperation (Kuusisto, 2008). The third part of effective communication mix could be mutual understanding or an ability to participate in a respectful dialogue. A few sub-factors contribute to this dimension. Two of those were mentioned by (Bettencourt *et al.*, 2002) – tolerance and accommodation. To avoid conflicts, both participants of service co-production should draw flexible borders of understanding to contain minor setbacks, delays or errors as well as just different view on a matter of interest. An important part here for either side is to try to adapt perception of other's situation before making decisions on a project. Of course, service provider is still a supplier in such business relationship and thus he should seek compromise on favour of the customer.

Connected with communication is another factor of successful co-production – quality of teamwork. Individuals of both firms' team up temporarily creating an organized unit to which some managerial principles and methods may apply. Especially important aspect would then become establishment of leadership in such a team. This will usually become a responsibility of a KIBS company, and a leader could be selected from one of their front-line employees or knowledge angels, who tend to accumulate major part of firm's knowledge base. No matter how chosen, as (Bettencourt *et al.*, 2002) suggest, a leader of co-producing team should be able to perform certain tasks like: motivating partners, envisioning the project in a compelling way, pay frequent attention to clients and keep them informed about progress and, importantly, deal with team conflicts in a careful manner (remembering supplier-customer relationship ethics). Co-production oriented team building could also be a beneficial tool in optimizing co-production. Proper composition of experts, that also match authority levels with client's representatives can enforce teamwork (Bettencourt *et al.*, 2002) and fluid teamwork is one of aspects that leads to better customer motivation and capability for innovation according to (Kuusisto, 2008).



Proper employee-customer relationship management (in e.g. team building efforts) may also lead to improvements in another dimension that is crucial for co-production outcome, that is quality of knowledge flows. KIBS providers generate value through absorption, recombination and transmission of knowledge (Hipp, 1999; Miles, 2005). They operate on business services market, but their customers may come from any market there is. That means they may or not have adequate knowledge to come up with relevant solution for problem specified by client. If they do, because for example they have already worked with a company with similar profile, they can offer a modelled solution transferring knowledge one-way to the customer. However, in many cases, clients will also have to educate KIBS provider with industry or enterprise-specific knowledge, making the flow two-way. To absorb the knowledge, each company would have to have sufficient capacity to do so. For example, to make use of consulting session on e-business strategy, service taker will have to have some basic understanding on Internet usage. Knowing insufficiently enough will result in lesser ability to integrate tools provided by the expert and thus reduce the overall satisfaction post-service. This situation can be counteracted by e.g. educating the customer on required knowledge beforehand (increase initial knowledge level), suggesting the appearance of a member technical staff of client's firm during the consulting session (changing team composition so that it could meet requirements) or proposing an additional service of technical implementation (compensating lack of resources with additional service).

Multitude of types of knowledge flows makes assessing and optimizing their quality a task that may require individual efforts. For instance, introducing or changing tangible knowledge flows such as reports, manuals, drawings or audio/video recordings is a matter of organizational or technological decision. Intangible, tacit, human-embodied flows are harder to capture, but at least as important as the other according to (den Hertog, 2000). To amend them, KIBS company may first correctly detect them and then transform the intangible into tangible (by e.g. recording a meeting or writing down a contract). Other practice could be co-production oriented team building and constant recomposing, which helps with transforming the routines and practices into collective knowledge which is easier to codify (Leiponen, 2006).

The last factor, bonding the three mentioned ones (communication, teamwork and knowledge flows) is trust. The significance of this factor is highlighted in the literature (Scarso and Bolisani, 2011, 2012). In the perspective of KIBS, trust is necessary for persuading a client to share his knowledge, especially tacit one. It therefore may influence both communication, teamwork and knowledge flow qualities.

The main contributions described above have been depicted in Table 1.

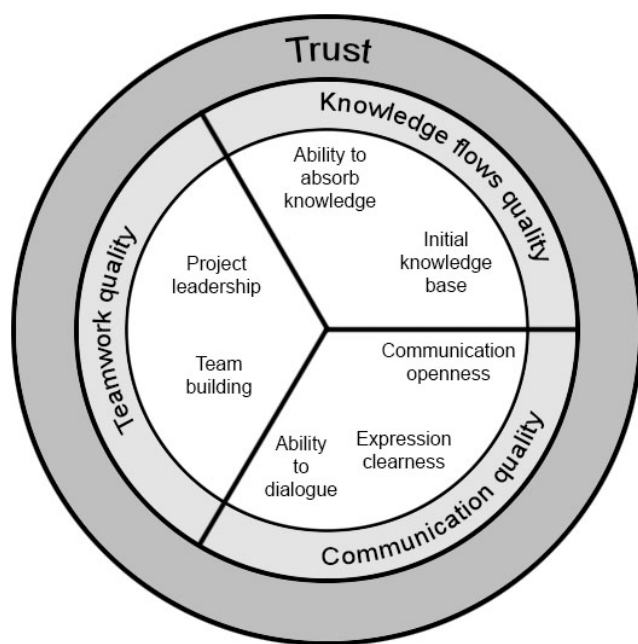
Table 1. Main factors influencing client co-production in KIBS by various authors.

Author(s)	Client co-production – main contribution
(Gallouj and Savona, 2009)	KIBS need to make their business resources available, not only time, attention and personal skills, as is the case for consumption services
(den Hertog, 2000)	Service success depends on the nature of interaction and the level of communication between the two parties (customer and provider); a variety of knowledge flows (in one or two ways)
(Ordanini and Pasini, 2008)	KIBS performance depends largely on communication of needs by customer, which sometimes requires additional codified technical knowledge or tacit knowledge of daily practices or social dynamics in client's own company
(Martinez-Fernandez and Miles, 2006)	Two types of relationships that service companies may have with their customers: "jobbing" and "sparring"; only sparring relationship require constant communication and trust with strategic information and knowledge
(Bettencourt <i>et al.</i> , 2002)	Service success depends on the quality of communication, which consists of several dimensions, such as communication openness, clearness in expressing expectations, mutual understanding or an ability to participate in a respectful dialogue, quality of teamwork,
(Scarso and Bolisani, 2011, 2012)	Service co-production depends on trust, which is necessary for persuading a client to share his knowledge, especially tacit one.

Source: Own compilation, based on the provided resources.

All the discussed factors were compiled into a model presented in Figure 1. Trust serves here as a foundation for three other qualities which contribute to successful co-production process. This model is a preliminary proposition, resulting from the analysed literature.

Figure 1. Factors affecting successful service co-production between a KIBS firm and a customer.



The aim of the study is to verify this model based on the case study analysis. In this study, the authors have tried to check if the factors identified in the literature will be detected in the real-life environment. Taking into consideration the fact that these factors were indicated by other researchers in various studies, on various samples and in different environmental settings, this model will be treated with cautiousness. It will serve as a sort of direction pointer, helping in the better understanding of the obtained results.

### 3. Methodology

On the basis of the analysis of the three conditions suggested by Yin (2009), namely (1) the type of research question the study aims to answer, (2) the extent of control over behavioural events, and (3) the concentration on contemporary events, the qualitative methods seem to be the most accurate. To verify the above model of factors affecting successful service co-production between a KIBS firm and a customer, case study methodology was considered as the best choice. Case study methodology allows for making observations and gathering information on new phenomena (Yin, 2009) and service co-production among KIBS firms can be considered as such (Lehrer *et al.*, 2012; Scarso and Bolisani, 2012), especially that only fragmented insights are available until now. The case study approach is also suitable given the descriptive and exploratory nature of the research and the potential complexity of the investigated issue (Leedy and Ormrod, 2005).

To meet the methodological rigour, the authors have examined the applied approach in accordance with the scheme proposed by Massaro *et al.* (2019), following each step. The constructivist approach was chosen as the philosophical assumption (Schwandt, 1994) and the important features of the research process were highlighted and planned step by step (Eisenhardt and Graebner, 2007).

To test the proposed model, the following questions were asked:

- Q1: What services have you received from the KIBS firm?
- Q2: How would you describe a successful cooperation with a business service company like the KIBS firm?
- Q3: How would you describe the factors that are important to you when cooperating with business service companies like the KIBS firm?

The study used semi-structured interviews with key informants who were expected to be knowledgeable about knowledge issues in the company, i.e. either the owner or the general manager of the enterprise. The cases have been elaborated by using information provided by key informants in the companies. The interviews lasted 40 minutes on average and the interview data was recorded and subsequently transcribed with care (Meyer, 2001).



As common in qualitative research (Turner III, 2010; Castillo-Montoya, 2016), the authors used the semi-structured interview protocol, which consisted of general open-ended questions. The interviews were conducted on the basis of this interview protocol, but at the same time, the respondents were given the freedom to discuss the issues that have appeared during the interview, not related directly. This additional knowledge was perceived by the researchers as potentially useful for the detection of some less articulated factors. In addition, for the purposes of triangulation, the transcribed interviews were analysed along with the observational field notes and other information available, e.g. history of cooperation with the KIBS firm (Suter, 2012). A total of six semi-standardized interviews were conducted, five of which were carried out with KIBS firm's clients and the last one was granted to the owner of the KIBS firm, as a counterview. While the number of respondents was limited due to time and availability constraints, some previous qualitative researches on KIBS companies were able to deliver sufficient results (e.g. (Nunes and Ananasingh, 2005; Bishop *et al.*, 2008; Bolisani, Scarso and Zieba, 2016)). The composition of interviewees was chosen with accordance to their availability and characteristics, such as area of business, size of the company and the types of services received. Two of five client companies can also be qualified as KIBS, other two as knowledge-intensive services (KIS) which operate on B2C markets and one is a manufacturing company. An overview of respondents' attributes is presented in Table 2.

**Table 2.** Characteristics of the case companies.

<b>Company</b>	<b>Size and type of company</b>	<b>Area of business</b>
A	Small KIS (B2C)	Financial advice to private investors
B	Small manufacturer	Designer clothes and related products for children
C	Medium KIBS	Management software solution supplied to certain public institutions
D	Micro KIS (B2C)	Private tutoring for matriculation examination for high school students
E	Small KIBS	Internet search engine optimization for businesses
F	KIBS firm offering its services to companies A-E	Business consulting

#### 4. Presentation of findings

In this section the findings of the study will be presented. For the clarification of companies, the notation from Table 1 will be applied.

The first question concerned the range of services received from the KIBS firm. As one can see in Table 3, there is a variety of serviced that the examined companies benefited from the KIBS firm, ranging from using knowledge materials to strong consulting experience.

Table 3. Range of received services.



Company	Range of received services
A	<ul style="list-style-type: none"> <li>• User of knowledge materials</li> <li>• Frequent seminar attendance</li> <li>• Regular consulting experience</li> <li>• Video production services taker</li> </ul>
B	<ul style="list-style-type: none"> <li>• User of knowledge materials</li> <li>• Frequent seminar attendance</li> <li>• Regular consulting experience</li> </ul>
C	<ul style="list-style-type: none"> <li>• Strong consulting experience</li> <li>• Purchaser of advanced, customer-tailored implementations</li> </ul>
D	<ul style="list-style-type: none"> <li>• Partner in video course production &amp; publishing programme for aspiring educators</li> </ul>
E	<ul style="list-style-type: none"> <li>• User of knowledge materials</li> <li>• Frequent seminar attendance</li> <li>• Wide usage of ready solutions</li> <li>• Limited consulting experience</li> </ul>

#### *The perception of successful cooperation*

When asked about the successful cooperation, the customers have provided a more or less homogenous description of the phenomena. All of interviewees began their statements by highlighting their expectation of a measurable and preferably tangible effect coming out of cooperation with a service company. In the words of customer E: *"I would describe a successful cooperation as one that is generating results. The results being a concrete outcome in important aspects for the customer"*. Those important aspects are described by the clients as improvements of certain business measures like sales, new clients or brand recognition; a written strategy; a new portion of knowledge; a product like video course.

Interviewees also underline that result should be consistent with earlier agreements in terms of quality and also provided or delivered accordingly to previously agreed schedule, including potential amendments. These conditions were stressed by customers C and E who both are themselves KIBS companies, but the aspect seemed to be the most important to customer D, which have been working extensively with the company on development of his video course, that was marketed at the same time as production have gone by: *"In my opinion, successful cooperation lies in the fact that the product is made on time, with agreed quality and delivered to the customer within the predefined period, and any amendments (...) are completed on time and as expected"*. The rationale behind an expectation of receiving a certain tangible outcome from undertaken service is tied with several feelings that the customers associate with the idea of successful cooperation. Those may be the feeling of accomplishment or making a progress through hard work: *"At X's I enjoy the feeling that we're really working. When there's an offer to be written, we sit and we write. Even if I come with an associate, everyone has things to do (...) Sometimes we rest for a while, talk personal topics, but X is the one to rush us back to work. Which is good, because time is limited and we have to do everything, so it's good that someone controls it."* (customer A) or a simple feeling that the money and time were well spent *"I would describe a successful cooperation as one, that leaves something. Whether it is knowledge after seminars or strategy after consulting, it is good to feel, that neither money nor time have gone to waste"* (customer B). Customer E also mentions such rationale, but in less abstract way, describing it as *"an economic calculation"* that a customer does taking into account the opportunity cost of e.g. receiving the full service later than assumed. Different approach is presented by customer C, a medium-sized company, that is the only one of the five to not mention or suggest economic aspect as relevant, but instead, focuses more on fulfilling the strict obligations made to their own clients, allegedly putting financial aspect down to the second plan in the favour of assurance that the effect will be reliable and professional.

Reliability of the received solution was also mentioned by the interviewees as a part of successful cooperation in the terms of post and in-between service technical support. Customer A mentions the explanatory role of customer service: *"There's also always a "homework", but often it is a lot to handle. But you can always ask, make a call, so there's no problem. Customer's service is always helpful"*, while customer D notices technical staff's role in upgrading his product after it's finished: *"Ongoing customer service is also important to me, as well as contact with technical employees that can help monitor and improve my product with client in mind. My client,*



*who favours quality.*”. Therefore, having some kind of guarantee, like ability to receive assist in case of problems, over a tangible effect may be a part of customer’s perception of successful cooperation as well.

Slightly different view on the topic is presented by the owner of Company F. While he confirms that on one hand, customers do expect short-term increases in certain business indicators like sales, effectiveness of marketing campaign or revenues, it is the long-term prosperity backed up with a written strategy and schedule that ends up more important to more experienced clients: *“(…) as it often turns out, short-term effects do not add up to improvements in company effectiveness in a long run. (...) [experienced clients] expects from me that I’ll help them to establish a work schedule or a general strategy for enterprise development for the coming years”*. While the strategy the owner had mentioned have appeared in the statements of clients, it was more like “one of” expectations from successful cooperation. Instead of total refocus on long-termism, clients tended to name both immediate and delayed benefits, with larger emphasis on the first.

#### *Role of communication*

Large importance of communication when cooperating with a service company was widely confirmed by all interviewees and has manifested itself not only in answers to its dedicated question, but, in a way, as a recurring background motif of entire interviews. Clients have mentioned several dimensions that contribute to their perception of role that said factor plays in co-production process.

First essential aspect that was commonly referred to by respondents is the ability of the service provider to engage in an honest, open dialogue with the customer. Client A draws a comprehensive picture of what is important to him in that area: *“Especially listening to the client, an honest interest in [his] case (...) we talk, analyse the pros and cons – and if the idea is bad, X will explain why and propose something different. If the idea is good, he would tell me, that it is great and that he wouldn’t have thought that himself (...) he doesn’t talk in a “stiff” way, like a shop clerk would do, instead, we discuss things like an entrepreneur with an entrepreneur”*. The essence of feeling expressed here might resound of a rather elusive mix of subjective impressions, that seem to be holistically conjugated to a kind of humane, yet professional relationship between the service provider – an authoritative expert figure and the customer – a learning partner. The keyword here might be *“listening”*, which in context of all interviews represents an ability and willingness to embrace client’s perspective in order to understand him and thus be able to offer him the best solution for his needs. The mentioned *“honest interest”* might also be the right label to generalize this idea in terms of actions expected from the representative of service company. Some more insights were provided by customer B: *“At X’s I appreciate his integrity, he doesn’t dim, cook things up or make fools of people, instead, solutions presented on his seminars really are working. I’d say it is a kind of customer relationship building skill. If we are to work together (...) we have to be able to talk.”* Again, honesty and *“ability to talk”* were mentioned, similarly to previous statement of customer A. An important notion is that this quote comes from the general question about the factors of successful cooperation (Q3), which was unspoiled by suggestions made in further questions. This means, that for customer B, this kind of honesty and integrity might be among the most crucial factors, as it was the first one that came up to her mind.

Second aspect which was mentioned by the interviewees resolves around service provider’s ability to formulate questions. This proactive approach is essential, especially when it comes to learning about client’s needs. Knowing what the customer desires as an outcome is vital in creating a service: *“Like X teaches, one should always start with the needs of customer and only then create a product suited towards him. To discover those needs, one must communicate – ask about client’s expectations, what he cares of, and what should the final outcome be. Just like when we sew a dress, we have to measure everything, so it fits.”* (customer B). This part may be fulfilled not only by communicating directly, but also through assisting methods such as providing a questionnaire beforehand (mentioned in case study, confirmed by customer E). Asking the right questions may be also important for customer to sort their own knowledge together: *“(…) talking about problems often clarifies a lot by itself. X probably knows this, because he always asks those “questions to think about”, thanks to which things start to arrange in one’s head”* (customer B).

From the other side, clients also value having their own questions answered properly, reliably and in timely manner. Although the concern was addressed by all respondents, it was highlighted mostly by interviewees which were using additional services besides consulting – customers D and E. The reason for that was pointed to be that if client’s own customers use a platform provided by a KIBS company, and they have some problems, the client does not always have to know how to assist them, and therefore will redirect those questions to platform provider. However, he himself is responsible with his customers and, considering their good, will want to have his answer as quick and as reliably as possible: *“Communication is in my opinion important, because clients that I work with are very picky in that matter. They are young, set for a quick response, a fast resolution, and it is me who is obligated to contact technical support or accounting division of company F”* (customer D).



Reliability in that matter can be defined twofold. On one hand, it is the sureness, that the response will happen and provide sufficient information, and on the other hand is the belief that the form of answer will be understandable to an unexperienced customer. The second aspect may also be related to customer's perception of his own knowledge pool and even his own image in the eyes of service provider. For example, customer A values the fact, that he will be not judged or looked from above for not knowing and will get answered patiently. This way he is more encouraged to ask questions and therefore participate more fully in the co-production process: *"Sometimes there is an accident, I don't know, mailing won't send and you have to make a call. There's been times when it was our fault, something wasn't properly filled in or checked, but nobody, be it customer service or X himself, would say anything bad, but instead he will slowly explain what happened, step-by-step. I appreciate that."*

Sometimes, communication must be adjusted to customer's requirements. Along with personality oriented preferences like those mentioned above or specific conditions tied to type of service (like obligatory technical support for platform users), some clients may impose atypical rules of communication that have to be followed as a prerequisite of cooperation. An example of such unusual situation was described by customer C: *"(...) due to security reasons, partially imposed by our customers, we have a limited room for manoeuver and all conversations that may contain confidential data must take place in our headquarters. Same applies for any technical works, like for example any implementations of solutions to our system, they have to be done on the spot."* In that case, the service had to be conducted inside client's company, which had significant effects on other factors that will be mentioned further.

The owner of F company came to similar conclusions regarding communication as did the customer interviewees. He described communication as a *"mathematical necessity"* for the co-production to even happen. Client has to be constantly reminded on project's progress, current goals and most importantly, tasks that are required of him. Consequences of a lack of communication can be, in the view of company's owner, as severe as losing the client's interest in cooperation mid-service: *"(...) even if the client receives a task to do without a strict deadline, in sense that it is up to him when he will do it, and the service company just waits for him to do it, the interesting situation is that if the firm won't constantly ask him about the progress, it can be perceived as a lack of interest, even though the rules were stated clearly. Unfortunately, clients often forget that the ball is in their court, despite our efforts in recording every meeting for them."* The owner also notes, that attention has greater importance in case of new clients, as more experienced ones usually have a better understanding of their roles, and do not have to be reminded to do their part. They also do not perceive a lack of communication as a lack of interest. Nevertheless, as all six respondents stated, communication remains a vital factor in co-production process.

#### *Role of team work*

First and most visible characteristic of client's perceptions on team work was the distinction between how it is relevant in smaller versus larger companies. Owners of smaller service companies, which are customers A, D and E have all noticed or suggested the fact, that proper team-related practice can be associated more with larger companies instead of smaller. While respondents have all provided some more or less suitable remarks on the topic, it could have been noticed, that the concept of teaming-up with a service company in a way that literature describes, it was rather exotic to them. Customer B which represents a slightly larger, but still small enterprise from manufacturing sector has reminisced, that cooperating with company F and his owner has in fact gave an impression of working as one company: *"[you have to] find a consultant that is good to work with. Like I said, we use the services of X's company, because we know, that he will make our marketing right. During the consulting session, we operate as one company, sitting by the table with laptops and doing the work."* Completely different perspective was presented by a much larger customer C. Not only would he acknowledge the fact that both companies create a team, but also describe how external consultants meld into their corporate environment: *"During larger projects, service provider representatives are with us four, five days a week for several months. They attend meetings, drink coffee in the kitchen, make conversations, it can be said, that whether they like it or not, they meld into our corporate culture."*

The biggest difference that has been observed in perceptions of customer C and other respondents is the balance of power in the relationship or in other words an establishment of team leadership. All smaller clients, except customer D which has not purchased any consulting services, have declared that it is The owner of F company who sets the pace of cooperation, assigns the tasks and generally watches over the defined timeframe. They perceive this situation to be positive, as the imposed strategy evokes the satisfactory feelings of having the work done (also aforementioned in section about successful cooperation). Additional benefits of service provider control include increasing motivation: *"When we come to the consulting sessions, we work on things that are hard to do on a daily basis because there are clients, meetings and so on. Here, we arrive and focus up on the*



website, the product, we write strategy and it is easier, because X controls everything - puts us into "brackets" [laugh]. Normally it is hard to find motivation to do all of that and it is great that someone is helping us." (customer A); and intuitive workflow creation over several meetings that has a positive impact on productivity: "It is just that X develops a strategy with us and we stick to it. When we arrive we always talk about what happened lately, how the previously implemented things have worked out and so on. Once we know where we are, we either revise the strategy or go on with another point of it. In general, we just know what to do, because we have a plan" (customer B). Customer E also confirms similar segregation of duties between his own KIBS enterprise and his customers – they have to explain the client how to do certain technical tasks, but they cannot do them for the client cause they do not have enough access or knowledge: "(...) we have the goal of improving client's position in web search services, but the client also has certain responsibilities that he has to do in order for us to be able to do our job (...) so everyone has their roles and this cooperation & communication must exist so that the project could go on.". In general, it can be stated that respondents believe, that when a KIBS company establishes project leadership in co-production process with a small client it should be beneficiary to both sides. A different view was presented by customer C. Due to an unusual situation and necessity of service provider's representative to be working within the client's headquarters the project leadership balance was shifted the other way around. Service receiver's policy was to some extent enforced, causing the consultants to be treated equally with other employees, and that included also managerial practices. It had, on rare occasions created conflicts: "We try to treat everyone equally, at least as much as we can. Such as e.g. we expect monthly reports from our employees, we try to enforce them out of external firm representatives. It isn't always easy, there was some rare situations, that persons have been opposing, perhaps not wanting to be treated the same as others. However, in most cases we have an atmosphere of teamwork and everything goes well."

Last dimension connected with teamwork, that was mentioned by the interviewees was the role of relationships between different people which take part in the co-production process. As customer D had rightly stated: "(...) it is very important that the workers of two companies have a good relationship, communication and a common goal, because it is them who have direct influence over a product, and not business owners (...) their "getting along" will have an impact on whether the product will be accepted by the market, come at the right time and in the right quality that was agreed with the client."

Significance of relationships was also confirmed by the owner of F company himself in his response to the question about team work. Basing on his experience in work with larger clients, he explained the role that team behind a decision maker plays during the implementation of a solution: "(...) in my experience, if a team is not convinced of competences of a service provider, it will sabotage anything that the decision maker brings to the firm. They will often hinder the implementation without any rational motives, but only basing on prejudices and a lack of understanding of how it all works.". That is why he believes, that without developing a proper relationship, he would not be able to acquire internal advocacy necessary to provide the service in its fullest potential. Whatsoever, according to F company's owner, company's opinion often bases on the beliefs of the most sceptical person in the team: "It helps me that I can communicate well with technical staff, engineers, programmers, who are often the sceptical adversaries. First, I try to make contact just with them. If I convince them, building trust with other team members is easy, as by my experience, teams often base their opinions on the most sceptical employee, or at least strongly consider him."

The owner of F company also partially agrees with concerns presented by customer C regarding balance of powers when service company interacts with larger clients. In his view, obeying the chain of command is important in maintaining a proper relationship with the team, even if the consultant was hired directly by the owner of company: "in my experience, respecting the fact that a director makes the decisions and only suggesting what he should do instead of going around him is a good way to gain appreciation in team. (...) Of course, if I see that the team is doing something wrong and insists on continuing, then on some point it is my responsibility to report the situation to the business owner that someone is opposing against his will. Still in practice, the best strategy is to win over the respect of the team."

Either way, in terms of role of team work in co-production, opinions of customers have proven to be in line with what the service company owner believes, even though the owner of F company drew some more practical advices, relevant to the topic.

#### *Role of knowledge flows*

When it comes to the role of knowledge flows, interviewees were slightly less expressive than with other factors, although still they have delivered a few valuable points of view on the topic. A general observation is that this factor may be slightly more advanced for some persons, and therefore they might have felt startled after being asked about the matter e.g. customer A has asked for additional guidance regarding meaning of the question, customer B added a comment that the interviewer "asks smart questions". Nevertheless, all respondents



seemed to be familiar with the phenomena of knowledge exchanges and have been able to point some consequences that it brings to the cooperation process with the service provider.

In general, customers B,C,D and E were aware of two-way knowledge exchange requirement and have agreed, that sharing information with the service provider is a crucial part of service development. The two most commonly referred aspects in that matter were: communication of needs by the customer and sharing the (often delicate) information about internal practices of client's company, market information or any knowledge that is necessary for completion of service. Especially the latter may become cumbersome for some companies that value security, but surprisingly, even customer C that has took a standpoint of understanding that sharing information may be inevitable if the service is to be performed optimally: *"We are aware of the fact, that some information must be shared in order to push the project further. We also understand, perhaps like not many others, that some companies might be afraid of sharing such knowledge. Personally, I believe that it should be treated as the necessary evil. I think it is a matter of right procedures to improve the process and to some extent eliminate the risk. To some extent, but we cannot control everything."* The information that a client might have to share are various and will depend on the type of service and range of works. Customer E once again brings about an example from their own experience in SEO services: *"The second issue is gathering the information from the client, not only those directly needed for implementation like server passwords, but also some general knowledge about his business, his clients and the market he's operating on, so that the service can be adjusted and its quality can be increased."* Somewhat different or boarder point of view is presented by customer D, who believes that it is the complementarity of knowledge from both sides in co-production process that makes the service the most valuable: *"[F COMPANY] had knowledge about business, delivering and coordinating services, and my knowledge based on contacts and interests of people of young age. Therefore, it was important for us that we brought to a common those information and pass each other what is essential from the point of my business and the opposite."*

Another interesting aspect resounds from the fact, that some customers believe that service provider is also partially responsible for client's ability to absorb knowledge. It is expected of him that the knowledge that he delivers with the service will be passed over in an accessible, understandable way, especially in the technical aspects that the client has no experience in: *"If someone is not familiar with IT, he might blink at X's showing how to do something on the website or in Implebot. It is then important, that he is able to explain it in ordinary people's language. Usually, he is."* (customer B). As it was said earlier when discussing to the role of communication, also asking the thought-provoking questions may be perceived as a positive technique that service provider may use to increase client's likelihood to increase his knowledge pool. In some situations, the customer may even require additional efforts in knowledge exchange process like creating some tangible appendices for the implementation: *"(...) if a service provider implements a technical solution in our system, we demand of him to create a documentation for the employees that will be using it."* (customer C). As it was mentioned, company F usually records any knowledge flows that they conduct with a customer. However, in some cases, the customer may incorporate his own methods of knowledge management, just like customer C does: *"We record in form of audio or video any important meetings, also for safety reasons, and occasionally browse through them to recall any ideas that might have emerged"*.

There is also the functional knowledge, that a service provider has to pass to smoothen the service co-production process. The aspect may be referred to what was said about the teamwork – if The owner of F company comes up with a strategy and a schedule for cooperation, then he should be able to explain it to the other side. Customer E describes it as *"(...) client's education in the context of implementation, that is, step by step what will the project involve, what is to be expected in a given phase, what would be the estimated results and so on"*.

The owner of company F provides a more profound perspective on the aspect of knowledge flows than other respondents did, although his perceptions are generally of a similar tone. Firstly, he underlines the importance of client's education as a tool for improving the efficiency of service provision and prevent the other side from unwillingly slowing the process: *"(...) we try to teach the client of reasoning behind any given decision so that he wouldn't oppose and we wouldn't have to work a lot on possible amendments (...)"*. Knowledge flow from the side of service provider is limited to only contain the relevant information, but if the customer is interested in extending his know-how he may receive an access to company's internal knowledge resources (e.g. relevant courses). The owner of F company also notices, that the client is more prone to share necessary information if he trusts the company. This tacit knowledge is useful mainly in the process of preparing the perfect marketing mix – what respondent calls *"the symphony"*. The more clients are served, the easier it is to create a good service in later interactions: *"So on one hand, knowledge flow allows me to adjust the [client's] implementation, and on the other hand, I learn a lot about many industries and this knowledge from customer's side, that is unattainable from books, because of being very concrete – what works, how it works, what are the percentages – becomes priceless in composing the aforementioned symphony, which is collecting many elements, techniques, strategies*



and knowledge from previous orders into one perfect solution. The more clients I serve, the more worthwhile is my service for future customers.”. He also mentions, that possessing the knowledge does not automatically mean ability to use it. Some customers come to the company already knowing about many different techniques, but simply do not know how to put them together. Said “*composing of a symphony*” represents consultant’s ability to select only the relevant tools for the client’s case and synergize them for the best effect.

#### *Role of trust*

Some interesting points were made by the interviewees on the topic of role of trust in the co-production process. While according to the literature, trust was proven to be a factor of high importance, customer’s perceptions coming from the interviews seem to be rendering it slightly less crucial, especially in the later parts of interaction. This is an interesting observation, as trust has been found to be a valid factor for knowledge sharing in small business networks (Massaro *et al.*, 2019), while SMEs are often the customers of KIBS firms.

First of all, respondents associated the role of trust mainly with regards to making an initial decision of whether to start cooperating with given service company or not. In other words, trust seems to be important mostly in the early parts of interaction, for new clients of a service company. Once the personal relationship is made with service provider, if of course the initial perception was positive (which can be helped with e.g. recommendations), and the contract or an agreement of service provision is signed, trust may become a factor of secondary significance. Customer A explains it like that: “*For me in business there is no such thing as trust [laughs] in the sense that it is better to have everything written down on paper, so you wouldn’t slip. I know X well which makes a difference, but if I was to use services of someone that I don’t know, I’d prefer to secure myself. Generally, I’d rather cooperate with companies, which someone familiar recommends me.*”. In a way, it could be stated, that as long as an overly sufficient trust level is established (for interviewees this moment generally means signing an agreement), then the trust ceases to be a deciding factor until said contract is violated.

Respondents also view the idea of trust differently when it comes to the where the need for it comes from. Customers B and C mention the role of the degree of potential consequences that may arise if service provider does something wrong, against the earlier agreements. If the stakes are high the need for assurance is bigger than if the service is of little influence if gone wrong: “*Sometimes we cooperate with girls who organize weddings for more wealthy clients. For those people, such occasion happens only once in a lifetime (...) in this scenario trust is a definite basis of relationship building with a client (...) On the other hand, if we order a service, for example a photographic session for the catalogue, we have a written agreement and risk at most a delay or necessity for a repeat.*” (customer B). Another reason for higher need for trust may be connected with not knowing the exact outcome of service beforehand, just like in customer E’s business: “*(...) practice in our industry reveals, that trust plays a colossal role, when it comes to services where the outcome isn’t predictable from the beginning. In SEO, there is this number of variables that can be improved, so that the page would position itself higher in Google, but the algorithms that calculate the final score are unknown, at least not all.*”. Next rationale that could influence the need for trust can be a simple lack of knowledge in the relevant area: “*(...) [Trust was important] also in the development of product, because I am not an expert in this area and I have trusted and believed very firmly that F COMPANY employees will be able to help me in the proper selection of tools or contents inside the product so it would match the client that I have chosen for my business*” (customer D). Sometimes, service company customer’s clients may require it, like in the case of customer C, which had to impose certain safety procedures like those mentioned earlier. Finally, there is the presence of the fraudulent companies in the business services market that successfully enforce cautious behaviours in firms representing the demand side. Again, an example of such practice was presented by customer E: “*From time to time someone finds a trick that allows hoisting page’s position in the search results allowing him to make a lot of money. Such holes are generally quickly noticed by Google, which often results in enforcement of a penalty like complete ban from the search results. But if someone paid such company and received those fast results, would later end in a worse spot than he was before. Situations like that strike heavily on the creditworthiness of companies on the market (...).*”.

Some customers also mentioned the matter of handling confidential or delicate information by the service provider. As it was mentioned in the analysis about the role of knowledge flows, clients are aware of and agree with the fact that they have to share such knowledge in order to receive a proper service. The general remedy to this problem, if it is of course cumbersome for the customer, are formal agreements, such as confidentiality clause that enforces lawful compensation of the potential damage: “*First of all, every employee or service provider is affected by the confidentiality clause, violation of which yields serious financial and legal consequences. We also have certain agreements with our customers which entrust us with confident data and we also have to respect those agreements.*” (customer C). On the other hand, customer A points out that he is generally able to trust service companies, as some confidential data protection procedures are required by the



state, and the risk factor of potential violation is rather high: *“There is also GIODO [General Inspector of Personal Data Protection], and you wouldn’t want to mess with them. If the companies don’t have data protection procedures, they can get punished for it severely. We also have to take watch out for our clients. Sometimes, when someone loses money on an investment he would come to us in anger and menace us with state offices. We have had inspections in the past and if we hadn’t had the procedures we could pay... a lot. I believe it is the same with other service companies. They also care for the paper to be there, just in case.”*

As of the owner of F company, he believes that trust plays an important role especially before or at the beginning of a relationship with a client, but it also depends on the type of service. He gives an example of training companies, of which services are demanded by law, but the effects of such service are marginal for the clients, so in that case just the price matters when it comes to purchase decision. In any other case, trust is a prerequisite for making the transaction and can be influential over the early stages of cooperation: *“(…) without trust, even if all other elements are in place, the client won’t make the final decision of transaction (…)* and even if he does, because someone convinced him to do so, the co-production will be going bad, because this lack of trust will keep reminding of itself.” In the light of the fact, that multiple successful cooperation build trust over time, F company’s owner prefers serving more advanced, knowledge-intensive services (like consultations) mainly with clients that has already purchased cheaper products. In response to the question about final remarks, he stated: *“I’d like to underline what I’ve said earlier, which is the role of simple services or products, which build trust towards service company. Not many service companies pursue this strategy, most of them are trying to sell right away, complicating their sales process. This way we can easily show the client the quality of our competences, by offering him a service to which he wouldn’t have to make complicated decisions and be able to pay from own money, even if it is a larger cooperation.”*

#### *Other factors of successful cooperation*

Besides insights on the factors that were planned to be investigated, that is communication, team work, knowledge flows and trust, the interviews have brought about several new variables, that might influence the quality of co-production between KIBS companies and their clients.

First new factor, which turned out to be essential for all customers, was the professional approach. The term was defined by the respondents rather vaguely, perhaps because it represents something natural and intuitive in business. Nevertheless, some fragmentary perceptions could have been extracted from the statements. It was mainly associated with timely and reliable execution of the service e.g. *“We’ve mentioned trust earlier – of course, it is important, but crucial is also professional approach and punctuality in task execution. They create the general outline of the cooperation (…)”* (customer D). In other uses, the term was set together with the perceptions of responsibility, honesty or reliability: *“Our enterprise has certain obligations to its customers and if during the implementation of those commitments we seek assistance from an external company, we expect a certain level of responsibility from it as well. They could have their own philosophy or business approach, but they have to be honest and professional.”* (customer C). Customer E associated professionalism with the *“factor of arrangement”* of the service provision, that is how X’s scrutiny in maintaining the order of consulting affects the final feel of the service: *“First, before consulting, I’ve received a questionnaire to prepare myself, then, already in, we were writing on the computers and in the end, I came back with a printed plan, which I have later implemented. There was this factor of arrangement in all of it – as everything was in order, we didn’t have to waste any time and that fact finally added this “finishing touch” to my perception of the service outcome.”*

Next aspect frequently mentioned by interviewees relates to the ideas of honesty, integrity and general observance of business ethics. It can be related to some personal qualities of The owner of F company mentioned by customers A and B in their descriptions of successful communication that was analysed earlier, but also to some remarks made by customer E: *“There are companies on business training services sector that (…)* instead of solving client’s problems, feed him with some *“simple tricks”* and acknowledge him problems, that sometimes don’t even exist, only to be able to solve them. Personally, I try to give such companies a wide berth and that is why I prefer working with X, his business ethics stand on a very high level”.

Other partially uncategorized factors were already mentioned in previous sections - namely the vital, proactive interest in client’s case (customers A, B, D) as well as responsiveness of the customer service at all stages of interaction (mostly underlined by customer D).

The common ground for all those *“new”* factors – professionalism, honesty, integrity, interest in client’s case, responsiveness of support and observance of business ethics – might lie somewhere between positive personal qualities of service provider’s employees and healthy philosophy of the company itself.



## 5. Discussion and conclusions

The conducted research has certainly provided some useful insights on the topic of KIBS co-production between a service provider and their clients. The points of view of the questioned customers of KIBS company have proven to be versatile enough to bring to light a considerable amount of new interesting aspects, yet consistent enough to fortify most assumptions on the factors which were already mentioned in the literature.

The first goal of the study was to discover and verbalize the perception of a successful cooperation of both the service provider and the clients. An analysis of research results has revealed the phenomena to be of two-faced nature. On one hand, customers desire immediate effects that would justify and compensate their time and money investments. Those tangible effects were described as positive changes in certain business measures such as sales, new clients or brand recognition, but also certain immediate feelings of goal accomplishment and hard work done. On the other hand, some clients may desire positive changes in longer term, whose tangible form is associated with newly obtained knowledge and more importantly freshly developed and written strategy. In the common ground between long-termism and short-termism are the practical perceptions of successful cooperation – the outcome is expected to be created accordingly to the plan, with agreed quality and within the scheduled period. A summary of the findings is presented in table 4:

Table 4. The perception of successful cooperation

Short-term perspective	Long-term perspective
<ul style="list-style-type: none"> <li>• Increase in certain business indicators</li> <li>• Immediate feelings of goal accomplishment and hard work done</li> <li>• Knowledge of ready solutions or tricks that are quick to implement</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term positive changes in business</li> <li>• Written strategy for business development in coming years</li> <li>• Knowledge of solutions that assist the long-term strategy</li> </ul>
<b>Practical requirements of successful cooperation:</b> <ul style="list-style-type: none"> <li>• Being conducted accordingly to an established plan</li> <li>• The outcome (product, service) is made in agreed quality and within the scheduled period</li> <li>• Ongoing support is provided by service provider mid and post-service</li> </ul>	

Source: Own findings

Second aim of the research was to verify the previously presented model of factors that may stand behind the successful co-production of service between KIBS company and their customers. Again, respondents were able to provide useful remarks on the role of four core factors proposed by the literature (communication, teamwork, knowledge flows and trust), as well as pointing out a few additional variables.

The perception of communication was in line with assumptions drawn from existing works on the topic of co-production in KIBS. The factor is perceived as crucial in the process of establishing a mutual understanding of the problem that the client brings to the table. Later, during the actual development of solution, good communication practice relies on openness of service provider towards both the ideas and doubts of the customer and an ability to evaluate them in an honest, humane dialogue. Another important aspect is the proactiveness in the contact coming from service company towards the client. Even if the task division is mutually accepted and it is customer's turn to contribute to the process, active communication and interest in the case may enrich the co-production effects and prevent possible slowdowns or even project failure due to service receiver's negligence. Finally, towards the end of cooperation, KIBS company should remain open for the questions, possible amendment requests and post-service assistance.

The general viewpoint on teamwork was slightly different than one proposed in the literature (Bettencourt *et al.*, 2002; Skjølvsvik *et al.*, 2007) in the sense that smaller clients were unable to notice any visible team building practices as they were working with the company one-to-one. However, they were able to notice small-scale effects of co-production, such as feeling of merging into one enterprise together with service provider at time of working on a solution – both small consulting users and a medium enterprise that had the service conducted within their headquarters. Other important topic was the question about balance of power in team leadership. While smaller clients may enjoy the lead of service provider's front employee (especially, when backed up with structured plan of cooperation), larger firms might want to preserve the control over the project and introduce own management practices. In that case, obedience of chain of command might be necessary for KIBS provider to optimize the team work factor and leave a good impression on the customer.

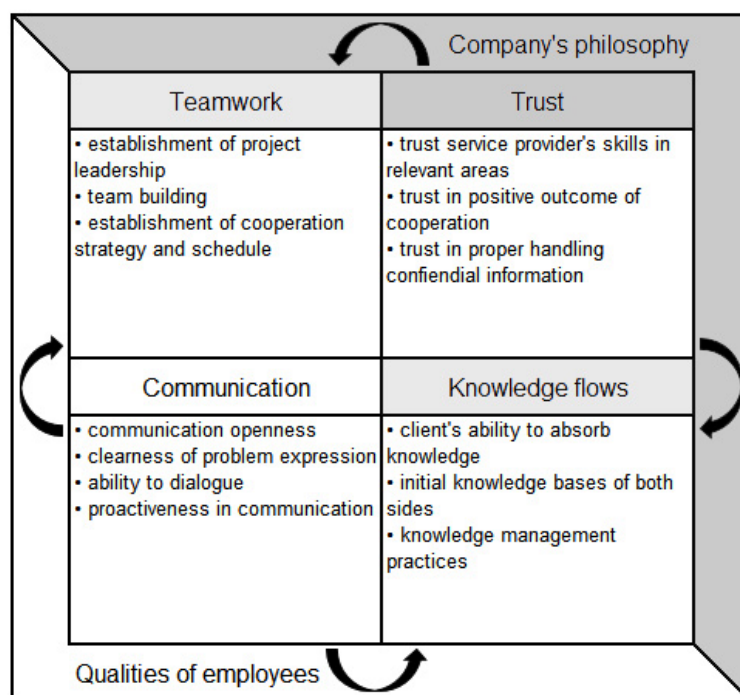
Role of knowledge flows presented by the respondents was similar to the previous studies (den Hertog, 2000; Leiponen, 2006), although the topic seemed to be seen in more practical way rather than theoretical. Customers

did notice two-way flow of information and were able to point out some relevant remarks on the roles of each side. As expected, knowledgeability of service provider was viewed as a must for the cooperation to be successful. Not only does the front-end employee have to be competent, but also must be able to pass along the knowledge in a way that is accessible to the client. In other words, customers believe that their ability to accept new knowledge may partially depend on the service provider himself. On the other hand, clients also believe that the KIBS company representative should have the ability of understanding the important information that the other side passes to him. Also, tangible forms of knowledge were appreciated by the respondents, especially a recorded or written strategy. Capturing the interaction to create a knowledge asset can be qualified as knowledge management practice. Interestingly, not only the KIBS provider may turn to such procedure during an interaction – respondent representing the medium-sized company also admitted recording the cooperation for future uses.

Attitudes towards the role of trust turned out to be of smaller significance than presented in the other papers (Scarso and Bolisani, 2011, 2012). The factor is perceived as crucial in the early stages of cooperation and before – while choosing the service provider. For KIBS clients an important practice is asking their familiar environment for recommendations. Once endorsed, business service company has it easier to maintain the trust level. After signing a contract and possibly a confidentiality clause, trust becomes (according to the respondents) a factor of secondary significance, at least until it is not harshly violated. Lastly, while the research has shown references to trust in analysis of statements about both teamwork and knowledge flows, the factor seems unrelated to the idea of communication, at least not directly.

New two-faced factor that have emerged in the study – company’s philosophy combined with personal qualities of KIBS employees – is tied to the ideas of professionalism, responsibility, honesty and observance of business ethics by the service provider. It is a holistic measure of firm’s actions and image in the eyes of its customers. The top-down part – company’s philosophy is related to general values that the enterprise represents, that are associated with its mission and vision and other strategic characteristics which are defined by leadership. It affects mainly the trustworthiness of the firm which in order has influence on the quality of both teamwork (e.g. in terms of achieving respect in client’s team) and on the condition of knowledge flows (e.g. sharing sensitive information). The bottom-up part emerges from the personal qualities of employees, how they incorporate positive social-skills oriented approach in communication with the client. Similarly, proper communication may influence the capacity of teamwork (e.g. through motivation resulting from honest interest in client’s case) and knowledge flows (e.g. by mutual understanding). An updated model of successful co-production, that includes the new factors and other knowledge that came from the study is presented in figure 2.

Figure 2. Factors affecting successful co-production of KIBS with customers – revised model



Source: Own model, based on literature review & own findings

To conclude, the study provides managers and owners with valid suggestions on the importance of particular factors in the service co-production process. It presents co-production from two perspectives – a KIBS company and its customers and therefore, it shows the verified view and can serve as a guideline on which aspects managers should focus to have successful relation with customers. From the point of view of research, the findings contribute to the better understanding of service co-production, still much underexplored topic. The presented study has several limitations. The first one results from the fact that data was collected in a limited number of companies and second, only one person from each company was interviewed, which may reduce the objectivity of the research results.

While the study can be considered successful in terms of fulfilling its aims, there are some limitations. Firstly and most importantly, it bases on an experience of a sole small KIBS company that also does not have much experience with clients from outside SMEs sector. Therefore, an interpolation of the results for larger corporations should be done with reservations. Secondly, the database contains a rather small sample of interviewees which leaves a limited number of conclusions to be extracted. Although some repetitions have appeared, especially in terms of communication, it can be supposed that a few more interviews could achieve a better level of topic saturation and therefore provide some more useful remarks on the matter. Thirdly, as mentioned earlier in the research methodology section, semi-standardized interview method was not utilized due to limitations in respondents' availability and only simplified version of the method was applied, reducing the range for results with regards to the structure of subjective perceptions given by the interviewees. Fortunately, previously assumed literature-based model helped to overcome that limitation to some extent (as the structure was pre-set and therefore its role was reduced).

There are further research possibilities in the examined area. The first potential topic to explore would be to check which factor plays the most crucial role in the co-production process. Secondly, the examination of more diversified sample (e.g. larger entities or from other sectors) could give additional insights to the perception of success factors in service co-production. Thirdly, an interesting research inquiry would be to check how these factors are related to the agile technologies, which are commonly applied in the KIBS sector. Finally, it would be interesting to examine how the perception of importance of particular factors influence the relations with customers and the level of their satisfaction.

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