



## An Extended Abstract Submitted to the NBM Conference 2024

The Agrifood value network around a Finnish incumbent: Sustainable cross-actoral value?

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The key role of businesses in the sustainability transition has been widely acknowledged and various scholars emphasize the interlinks between sustainable business models and system-level sustainability. However, the current discussion on sustainable business models lacks in-depth considerations of collaborations and partnerships, and particularly of the co-creation of value in these collaborations (Pedersen et al., 2021). Moreover, it remains unclear how value is co-created in collaborations between actors that hold different amounts and types of power.

Business models determine the fundamental logic of a company and specify how it creates and captures value (Rauter et al., 2017). The traditional commercial logic of value exchange typically restricts the concept of value creation to value for customers and the company (Lüdeke-Freund et al., 2020). This traditional perspective on business models does not address the sustainability challenges and goals of a wider range of stakeholders (Pedersen et al., 2021). Thus, there is a call for new, more sustainable business models (SBM) as well as new definitions for the concepts of value (Laukkanen, 2019). SBMs adopt a more holistic perspective on value creation by implementing a triple bottom line approach and considering the needs of diverse stakeholders (Pedersen et al., 2021; Lüdeke-Freund et al., 2017; Stubbs and Cocklin, 2008). The SBM literature which applies stakeholder theory perspective proposes that value should not only be created *for* multiple stakeholders, but also *with* them. For instance, Freudenreich et al. (2019) suggest that stakeholders should not be perceived only as recipients of value, but also as co-creators of it. Less attention, however, has been paid to collaborations and value co-creation between actors that possess significantly different amounts and types of power.

Lüdeke-Freund et al. (2020) note that an analysis of value creation and capture also requires an analysis of the power relationships, because “the share of value capture by a particular stakeholder depends on the power relationships in which this stakeholder is involved” and, commonly, these power relationships are asymmetric. The definitions of power are

furthermore diverse and contested. This study integrates views of power from the perspective of the business management and transition fields. Avelino (2017) suggests that, in its broadest sense, power can be perceived as the (in)capacity of actors to mobilize resources and institutions to achieve a goal. Geels (2004) suggests that different actors hold different amounts of power to realize their purpose and interest due to uneven resources, such as assets, knowledge, and opportunities. Incumbents can be perceived as the core actors of regimes (Strøm-Andersen, 2019). They have a long-standing history, they are well-known, large in size, have a high income, and hold economic and political power (Apajalahti, 2018). Avelino (2011) has presented a way to analyze power relations (and how they are shifting) in the sustainability transition. It identifies three types of power relations between actors: 1) A has power over B, 2) A has more/less power than B to do x, and 3) A and B have a different kind of power. To date, power relationships are a topic that has been addressed infrequently in the context of SBM literature (Lüdeke-Freund, 2020).

The aim of this study is to explore how value is co-created between a Finnish agrifood incumbent and its stakeholders, as well as how power affects these relations. Specifically, it addresses the following questions:

1. Do the actors have shared sustainability goals?
2. What kind of collaborative practices have actors implemented to realize sustainability goals?
3. What type of power relations exist between the actors?

The data collection and analysis will be performed using qualitative research methods. Our research takes an abductive approach, which “enables the researcher’s engagement in a back-and-forth movement between theory and data in a bid to develop new or modify existing theory” (Awuzie and McDermott, 2017). This study follows a single case study research strategy and primary data is gathered through semi-structured interviews, that will be held with five managers from the case company – an incumbent operating in the Finnish agrifood chain – and ten of its stakeholders, who have mainly been chosen from the organizations or groups that the representatives of the incumbent have brought up in the interviews as important stakeholders. The data collection will take place during spring and summer 2024. The collected data will be analyzed by using thematic analysis, which is a method for identifying, analyzing, and interpreting patterns of meaning (themes) within qualitative data (Clarke and Braun, 2017). It includes the following six phases introduced by Braun and Clarke (2006); 1) familiarization with the data, 2) generation of initial codes, 3) searching for themes, 4) reviewing themes, 5) defining and naming themes, and 6) producing the report.

The aim of this study is to provide novel insights into sustainability collaboration and value co-creation between a Finnish agrifood incumbent and its stakeholders, as well as on how power affects these relations. The tentative findings of this study suggest that the case company and its stakeholders do have some shared sustainability goals and that all parties perceive collaboration to be crucial in achieving them as well as system-level sustainability. Although various sustainable and collaborative practices have been implemented between the incumbent and its stakeholders, the initial findings also suggest that imbalanced power relations between the incumbent and its stakeholders evoke tensions. The case company holds a strong position in the food chain and has more power to advance its own purpose

and interests than its stakeholders do. Farmers are the least powerful actors in the food chain, even though they have a critical role in the transition because many of the environmental impacts are created at the beginning of the food chain (see also e.g. Kuhmonen, 2023). Focusing on power relations in these collaborations, and their effects on value co-creation, provides an opportunity to reveal pivotal obstacles to the sustainability transition.

## Keywords

Sustainable business model; value co-creation; collaboration for sustainability; incumbent; sustainability transition

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