



UNIVERSITY OF TWENTE.

FACILITATING DIALOGUE BETWEEN A SMALL MEDIUM-SIZED ACCOUNTANCY FIRM AND CUSTOMERS: A DYADIC PERSPECTIVE ON DEVELOPING RECIPROCAL CUSTOMER VALUE PROPOSITIONS

- A CASE STUDY OF THE DIALECTICAL PROCESS OF DEVELOPING VALUE

PROPOSITIONS BETWEEN A SMALL MEDIUM-SIZED ACCOUNTANCY FIRM

AND HEALTHCARE ENTITIES -

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Abstract

The business environment for accounting practitioners is subject to big changes. Small medium-sized accountancy firms are challenged more than ever to adapt to this changing accountancy landscape. In doing so, small medium-sized accountancy firms are becoming increasingly multidisciplinary and must compete with other existing and emerging advisory professionals to redefine value for and with customers. This research takes the customer value proposition concept as a starting point and incorporates the notion of value-in-use knowledge, to grasp how small medium-sized accountancy firms could integrate value-in-use knowledge of customers (i.e. customer insights) to develop reciprocal value propositions that resonate with existing customers as well as potential customers. Earlier research mainly described customer value proposition from a goods-dominant logic (G-D logic) perspective and emphasized the role of the firm in developing and offering value propositions. However, what about the importance of the interaction and collaboration between customers and suppliers in developing reciprocal value propositions, as congruent with the service-dominant logic (S-D logic). Although, there are some efforts made understanding the customer value proposition concept from a service-dominant logic (S-D logic) perspective, the dialectical process of developing reciprocal value propositions between suppliers and customers have seldom been empirically studied. Therefore, this research entails a case study associated with the dialogue between a knowledge intensive business service provider and varied healthcare organizations. This knowledge intensive business service provider, refers to *Eshuis Accountants en Adviseurs*, reconsidered their strategic positioning and want to create a platform for customers and their respective value-in-use knowledge to develop customer value propositions in dialogue with them. Face-to-face interviews and focus group discussions, both qualitative research methods, are used to respectively elucidate the supplier perspective towards value creation as well as the combined perspective of both supplier and customer towards the development of reciprocal customer value propositions. The findings of this research indicate that completing the value proposition canvas is a powerful way to map out and illustrate the results out of this dialectical process and strive for the development of reciprocal customer value propositions. In brief, this study demonstrates how and why focus group discussions serve as an encounter platform to facilitate interaction and dialogue between supplier and customers, to craft reciprocal value promises.

Key terms: Small medium-sized accountancy firms, Business advisors, Customer needs, S-D logic, Value creation, Value-in-use knowledge, Reciprocity, Dialogue, Customer value proposition, Strategy, Internal business processes

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1. Introduction

1.1 Framing the research problem

The SME (i.e. small and medium-sized enterprises) sector is a dynamic sector, which consists of a great diversity of firms and in recent years, subject to big changes that are linked to society (Admiraal & van IJendoorn, 2013). Think of key trends, such as ageing, digitization, globalization and sustainability, which will influence the accountancy landscape as well as the business of customers and ultimately the accounting services these customers demand (Admiraal & van IJendoorn, 2013). At the same time, developments such as specialization, knowledge intensiveness and technological complexity are growing in many industries, through which the supplier and the customer are becoming more dependent on each other's knowledge and resources (Aarikka-Stenroos & Jaakkola, 2012). Howieson (2003) pointed out the meaning of these changes to the business environment for accounting practitioners and the skills which will be required by the accountant of the 21st century. Moreover, it is argued that there is a growing need for accountants to develop and provide business advisory services (i.e. non-audit services (Howieson, 2003; Snoei, 2011)) for small medium-sized businesses (Howieson, 2003; Bulukin, Gooderham & Lund, 2005; Døving & Gooderham, 2008; Samujh & Devi, 2008; Snoei, 2011). As external advisors and being a main source of supply of advice, accountants have the potential to play a critical role in the growth and sustainability of small and medium-sized enterprises (Bennett & Robson, 2003; Barbera & Hasso, 2013). According to Bennett and Robson (2003), the reason for this is that by using an external advisor, SMEs may mitigate the deficiencies they face due to a lack of internal resources. However, given the fact that markets for statutory accounting services (i.e. audit services (Howieson, 2003; Snoei, 2011)) are becoming increasingly competitive and these services will be to some large extent automated, small business customers will become more self-reliant and will be able to perform a major part of the statutory accounting services external accountants offer themselves (Howieson, 2003). Therefore, small medium-sized accountancy firms are directed to become more multidisciplinary and must compete with other existing and emerging advisory professionals to create value for and with customers in a unique and different way (Howieson, 2003). Kestens (2008) stated, with an increasing focus on knowledge, in the future, accountants are in a favorable position to take advantage of this opportunity.

However, a lot of accountancy firms are struggling with the question how they could increase their turnover, how they expand their advisory role and how they can create value for and with customers (Accountant, 2015). Unlike former times, nowadays there is a real need for small medium-sized accountancy firms to formulate and execute a well determined strategy. To be able to anticipate on developments like digitization and price competition and be viable on the long term, small medium-sized accountancy firms need to determine their current strategic positioning, the desired positioning and the measures to realize this state (Admiraal & van IJendoorn, 2013). Small medium-sized accountancy firms should understand how they could support customers, in future years, on a constantly and well-structured basis. To deal with the developments in the accountancy sector, small medium-sized accountancy firms search for new ways to achieve and retain a competitive advantage. A major source for competitive advantage will come from high-quality interactions that enable an individual customer to co-create unique experiences with the firm (Prahalad & Ramaswamy, 2004).

Given the fact that small medium-sized accountancy firms are facing the challenge to determine and understand what customers actually value (i.e. in terms of service provision), this research uses the customer value proposition concept as a starting point. By incorporating existing knowledge about service delivery and value creation processes, this research aims at providing a

comprehensive picture of the dialectical process of developing reciprocal value propositions with customers. The term customer value proposition refers to a description of the experiences a target user will realize upon purchase and use of a product (Leemreize, 2015). Due to the frequent use of the customer value proposition concept in goods-dominant logic (G-D logic) and service-dominant logic (S-D logic) literature, it is important to emphasize from which perspective the concept will be described (Skålén, Gummerus, von Koskull, & Magnusson, 2015). The S-D logic perspective, and more specifically the shift from a traditional goods-centered paradigm to a service-centered dominant logic, is emphasized and clearly described by Vargo and Lusch (2004). For the purpose of this research the S-D logic perspective is adopted, which will be extensively explained in the theoretical framework.

Despite the widespread use of the term value proposition, there is surprisingly little known about the customer value proposition concept and its adoption in organizations as well as an in-depth understanding of reciprocal customer value propositions developed with customers (Ballantyne, Frow, Varey & Payne, 2011; Leemreize, 2015). This is in line with the study conducted by Skålén et al. (2015). Skålén et al. (2015), indicated that existing research into value propositions is largely normative and supported by few systematic studies of the anatomy of value propositions (i.e. which parts they consist of). Besides, while there is little known about the joint development of reciprocal customer value propositions (i.e. theoretical), the application (i.e. practical) and therewith a clear understanding of the process of facilitating dialogue between suppliers and customers, to jointly develop reciprocal customer value propositions, has also to be explored more extensively. Previously, the research of Frow and Payne (2008), was dedicated to the empirical assessment of the use of value propositions within organizations (Ballantyne et al., 2011). So, although referring to the empirical assessment of the use of value propositions in practice and the dialectical process of developing reciprocal value propositions there is room for further research, it is argued that the concept is frequently used by practitioners (Skålén et al., 2015). Customer value propositions exist in order to facilitate the co-creation of experience, which indicates the importance of developing a comprehensive understanding of the concept (Payne, Storbacka, & Frow, 2008).

In responding to the call for more in-depth research about the joint development of customer value propositions, this research adopts a dyadic perspective on the development of reciprocal value propositions. Researchers like Payne, Ballantyne and Christopher (2005), Kowalkowski (2011) and Ballantyne et al. (2011) take a systemic perspective towards value creation, which indicate an increased emphasis on a broader value-creating system, particularly since external determinants can be important influencers on the development of value propositions. Although this research acknowledges the systemic perspective towards value creation, regarding the scope of this research a dyadic perspective is taken. One way or the other, the view that firms are unique controllers of their own fate will not lead to a comprehensive understanding of the value proposition concept, nor will it fits the S-D logic with its emphasis on the reciprocity of service.

1.2 Research goal and research question

The aim of this research is to provide a comprehensive understanding of the dialectical process of developing customer value propositions and by doing this, grasp how small medium-sized accountancy firms could develop reciprocal customer value propositions with customers to achieve and retain a competitive advantage and create value for and with existing customers as well as potential customers.

The research will be applied to a small medium-sized accountancy firm in order to examine, by incorporating the customer value proposition concept and the notion of facilitating dialogue, how

a small medium-sized accountancy firm should adapt to a changing accountancy landscape. Consequently, a better comprehension of customer the value proposition concept can be obtained, leading to the case that small medium-sized accountancy firms can better understand what customers actually value. Moreover, by adopting a dyadic perspective for developing reciprocal value propositions, this research attempts to clarify the obscurity around the notion of reciprocity, with one firm perhaps having multiple value propositions with different stakeholders (e.g. customers). The main research question guiding this research is:

“How to facilitate dialogue between a small medium-sized accountancy firm and their customers in developing reciprocal customer value propositions, in order to adapt to the changing accountancy landscape?”

In this research, next to elaborating on the concept of customer value proposition, the concepts of customer value, value creation and value co-creation will be described. At the same time, considering the changing nature of the accountancy landscape, this research emphasizes the need for small medium-sized accountancy firms to strive for reaching the external environment.

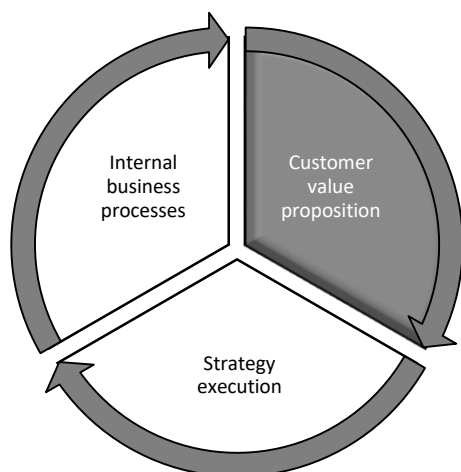
Based on the work of Kaplan and Norton (2004), three core constructs and their linkages are derived and elucidate the domain of this research: *customer value proposition*, *strategy execution* and *internal business processes*. These core constructs can be categorized as *internal factors* and can be placed in a broader environmental perspective (Admiraal & van IJzendoorn, 2013). It is evident that based on key trends (i.e. *external factors*) affecting SMEs, such as ageing, globalization, sustainability and digitization, services which will be offered by small medium-sized accountancy firms will change insurmountable (Admiraal & van IJzendoorn, 2013). The reason for this is that these key trends will change the business of customers, resulting in a change of the expected and the perceived value by customers and ultimately the services customers demand. For example, consider the trends ‘digitization’ and ‘automation’, which will reduce the traditional activity such as administration (Admiraal & van IJzendoorn, 2013). As a result, administration becomes a basic service, for which the customer will only pay the smallest amount (Admiraal & van IJzendoorn, 2013). This process of change provides several opportunities for small medium-sized accountancy firms, if they are able to critical assess their current business model and reach out for other revenue sources (Admiraal & van IJzendoorn, 2013).

As illustrated in **Figure 1: Framework to illustrate the domain of this research**, by understanding the patterns of value creation (i.e. changing collaboration, communication and co-creation with customers (Admiraal & van IJzendoorn, 2013)), mapping the process of strategy execution, organizations know if and how this will influence their internal business processes. To exemplify, strategy is based on a differentiated customer value proposition and value is created through internal business processes (Kaplan & Norton, 2004). The strategic management of the value focus of each firm’s value propositions and the ability to communicate a firm’s value propositions strategically and effectively should be understood as a dynamic, competently developed operating resource that is at the heart of competitive advantage and performance (Kowalkowski, 2011). Delivering on a value proposition will require a well-defined execution strategy (Grace, 2014). The next translation task identifies those internal organizational processes and operating resources specifically designed to deliver value, as described by the customer value concept’s several value dimensions (Woodruff, 1997; Kowalkowski, 2011; Admiraal & van IJzendoorn, 2013). To outline, it is about translating strategy into

internal customer value processes and requirements (Woodruff, 1997). These internal business processes can be reorganized on the basis of knowledge about the services suppliers will continue to offer and which customers require and the services suppliers will discontinue to offer (Accountant, 2015). Furthermore, the internal business processes should be connected as good as possible to the key trends (Admiraal & van IJendoorn, 2013). How this will be done is depended upon the chosen positioning within the business model (Admiraal & van IJendoorn, 2013). Although, the linkages between the three core constructs are enlightened, this research will focus on the customer value proposition concept.

After framing the research problem, setting the goals and describing and illustrating the domain of this research, the next section continues with declaring the intended contribution of the research. Then the theoretical framework is outlined, in which underlying theory is properly structured and covered. With the help of this structure and critical knowledge and integrating a consistent methodology section to investigate and understand the dialectical process of developing reciprocal value propositions between supplier and customers, a section is dedicated to the discussion of the results. In addition, a roadmap is designed, which can support small medium-sized accountancy firms in giving a holistic understanding of their value creating practices. Finally, there is a conclusions section followed by the limitations and directions for future research.

Figure 1: Framework to illustrate the domain of this research



1.2.1 Theoretical relevance

Prior research on customer value and the customer value proposition concept extensively described the importance of customer value and illuminates the interrelatedness with concepts, such as 'strategy execution' and 'internal business processes' (Woodruff, 1997; Kaplan & Norton, 2004; Grace, 2014). Despite the growing body of research in the area of customer value, still little is known about the customer value proposition concept and the joint development of reciprocal customer value propositions between suppliers and customers.

Leemreize (2015) and Ballantyne et al. (2011), both question the completeness and the meaning of one of the central foundational premises (FPs) of S-D logic, as formulated by Vargo and Lusch (2004). This fundamental premise refers to: the enterprise can only make value propositions (Ballantyne et al., 2011). Both studies illustrate that the designation 'only' is misleading. Leemreize (2015) emphasized that when the customer does not want to be involved in co-creation at all, the premise will hold. However, when there is a service encounter between firm and customer there is the opportunity for the firm to create value beyond merely offering value propositions (Leemreize, 2015). Ballantyne et al. (2011) also referred to the reformulation of the aforementioned original fundamental premise which reads: the enterprise cannot deliver value, but only offer value propositions. They explained that the fundamental premise still does not include the notion of reciprocity: *"Reciprocity would allow some role flexibility in who chooses to initiate or complete an offer, or work together with a counterparty to shape the value propositions"* (Ballantyne et al., 2011, p. 205). Ballantyne et al. (2011) adopted a discovery oriented approach, because of the absence of literature or examples of reciprocal sets of stakeholder value propositions.

It is evident that further research is needed to explore the role of suppliers and customers (i.e. initiator or participator), with regard to the development of reciprocal value propositions (Ballantyne et al., 2011; Leemreize, 2015). In responding to the calls of Ballantyne et al. (2011) and Leemreize (2015), this research will focus on the following. First, Ballantyne et al. (2011) argued that literature does not sufficiently emphasize the importance of developing value propositions as reciprocal promises of value. This research will attempt to clarify the obscurity around the notion of reciprocity by taking a dyadic perspective on developing reciprocal customer value propositions, through the lens of S-D logic. Second, as addressed by Leemreize (2015), value creation could be explained from different service settings. To explain, this research comprises a broad theoretical foundation of the customer value proposition concept, as part of value creation, which is needed to fully grasp the dialectical process of developing reciprocal customer value propositions in an accountancy service setting. Third, this research will provide some insights in the crafting of market segment-specific value propositions (Ballantyne et al., 2011).

1.2.2 Practical relevance

Frow and Payne (2008), surveyed the extent to which value propositions were actively used within organizations (Ballantyne et al., 2011). Findings indicated that, based on a sample of 265 managers attending five executive events on three continents, although the term was used by 65 per cent of the organizations only 8 per cent had developed and routinely communicated formal value propositions (Ballantyne et al., 2011).

Reflecting on the work of Frow and Payne (2008), it seems that they did not include the notion of reciprocity and the role of suppliers and customers in developing reciprocal customer value propositions. This study strives for the empirical assessment of the process of facilitating dialogue between suppliers and customers, to jointly develop reciprocal customer value propositions. Besides,

it highlights the importance of the use of reciprocal customer value propositions in small medium-sized accountancy firms.

This research will be of practical relevance by explaining the dialectical process of developing reciprocal customer value propositions and by doing so, understand how small medium-sized accountancy firms could develop reciprocal customer value propositions by facilitating dialogue with their customers. Ultimately, this understanding is needed for small medium-sized accountancy firms to achieve and retain a competitive advantage and create value for and with their customers. Referring to the dialectical process of developing reciprocal customer value propositions, the most important elements and themes, which are part of the value creation process between supplier and customers will be delineated. While, with regard to the understanding of developing customer value propositions together with customers, its potential and central role in the changing nature of the accountancy landscape will be described. By combining these two fields of knowledge, small medium-sized accountancy firms should be able to improve their customer value propositions by facilitating dialogue with customers, which should lead to viability on the long term. In other words, as a small medium-sized accountancy firm you clarify your customer understanding, by integrating customer insights expressed by customers, and you map out how you intend to create value for and with that customer (Kyhnaa & Nielsen, 2015). Small medium-sized accountancy firms need to translate this knowledge to their service provision. So, which services are demanded and which services can be provided.

Moreover, the concept of value proposition is inherent to the concept of strategy. Strategy is based on a differentiated customer value proposition, because satisfying customers is the source of sustainable value creation, as stated by Kaplan and Norton (2004). Delivering on a value proposition will require a well-defined execution strategy (Grace, 2014).

One of the deliverables of this research is to emphasize and ground the need for small medium-sized accountancy firms to strive for reaching the external environment. By doing so, these organizations could identify the difference in the value as expected by the customer and the value which is perceived by the customer. As is stressed by Leemreize (2015), by assessing this gap between perception and expectation, organizations are able to improve value along the value creation process (Leemreize, 2015). Until now, this development is strongly internally related. On the basis of identifying customer needs, map out the different connected processes which explain the value creation process as a whole and understanding the building blocks of the customer value proposition, small medium-sized accountancy firms are able to develop reciprocal customer value propositions with customers.

To conclude, (reciprocal) customer value propositions can be improved in the case if they already present or will be developed by facilitating dialogue with customers, if they are not present yet. Furthermore, the provision of services could be closely adapted to the customer needs and potential customers could be acquired.

Ultimately, a roadmap is designed to support small medium-sized accountancy firms in giving a holistic understanding of their value creating practices. Moreover, the findings of this study could serve as a foundation for a successful strategy execution process and implementation of business processes, as depicted in **Figure 1**. By structuring the process of (successful) strategy execution, small medium-sized accountancy firms could understand the obstacles and critical factors to strategy execution.

2. Theory

In this section underlying theory and existing scientific knowledge is described and reflected. The section is divided into different topics, which will give this research a solid theoretical foundation. Firstly, the concept of customer value proposition will be extensively described from the S-D logic perspective. In addition, the notion of reciprocity and the meaning and importance of customer value and value (co-)creation is defined, after which the dyadic perspective towards value creation is explained. Secondly, accounting services and its existence nowadays is touched upon. Finally, the development of reciprocal customer value propositions in small medium-sized accountancy firms is covered.

2.1 Customer value proposition

2.1.1 The concept of customer value proposition

Customers are informed, connected, networked, and empowered on a scale as never before, thanks to engagement platforms like google, the growth of internet-based interest groups, widespread high-bandwidth communication and social interaction technologies (Ramaswamy, 2008). As a result of these developments, customers need no longer be mere passive recipients of value propositions offered by firms (Ramaswamy, 2008). Firms need to create experience environments and understand that the (personalized) interactions between the firm and customers is becoming the locus of value creation and value extraction (Prahalad & Ramaswamy, 2004). This can only be realized if firms have the intent to provide service for and in conjunction with customers to obtain reciprocal service. This process logically begins with the development of reciprocal customer value propositions (Ballantyne et al., 2011). Besides, if firms embrace the concepts of personalized co-creation experience as the source of unique value, this will enhance the opportunities for value creation (Prahalad & Ramaswamy, 2004). Payne et al. (2008, p. 86) indicated the following: *“An important concept is that the value proposition exists in order to facilitate the co-creation of experiences. Creating customer experiences is less about products and more about the relationships which the customer has vis-à-vis the total offering. It involves focusing on “value-in-use” instead of mere product features.”* Referring to the notion of ‘value-in-use’, this research integrates the definition formulated by Sandström, Edvardsson, Kristensson and Magnusson (2008, p. 120): *“Value in use is the evaluation of the service experience, i.e. the individual judgement of the sum total of all the functional and emotional experience outcomes. Value cannot be predefined by the service provider, but is defined by the user of a service during the user consumption.”* Aarikka-Stenroos and Jaakkola (2012, p. 17) defined three effects, which are related to value-in-use for customers in a business to business (b-to-b) context: *“1) effects on the customer’s growth and revenue-generating capacity (new markets, premium pricing), 2) effects on the customer’s costs (lower costs, higher margins), and 3) effect on perceptions (increased trust and commitment, interaction comfort, attraction)”*. Besides, they briefly described the relation between the customer value proposition, value co-creation and value-in-use: *“Actors make value propositions, i.e. reciprocal promises of value, operating to and from suppliers and customers seeking an equitable exchange, and realize value by turning resources provided by other actors into specific benefits in their respective value processes”* (Aarikka-Stenroos & Jaakkola, 2012, p. 16). An optimal value proposition would involve the best possible balance between the value-in-use to be achieved and the required sacrifices, for the customer (Aarikka-Stenroos & Jaakkola, 2012).

The work of Sandström et al. (2008) contributes with a new framework, illustrating the total technology-based service experience, emphasizing the importance of both the functional and the emotional dimensions, as well as how the service experience is linked to value-in-use. As is emphasized

by Sandström et al. (2008), to fully leverage experience as part of a value proposition, organizations must manage both the functional as emotional dimensions of experiences. Mentioning functionality, the functionality of a value proposition refers to what is possible to do using the physical/technical enablers available, while the emotional dimension includes the non-physical features and next to this also mental images, brand reputation, and themes (Sandström et al., 2008). Non-physical features, also phrased as intangibles, can also reflect the specific norms and value of a company, e.g. its codes of conduct and corporate narratives (Sandström et al., 2008). Basically, a value proposition can be developed in the form of functions and intangibles and varied users will experience these differently (Sandström et al., 2008).

The customer value proposition concept is used in goods-dominant logic (G-D logic) and service-dominant logic (S-D logic) literature, as is indicated before. Early work on value propositions has strong vestiges of goods-dominant (G-D) logic with its emphasis on a supplier delivering value (Frow & Payne, 2011). However, regarding the S-D logic its major contribution is the shift in emphasis to a customer and supplier co-creating value (Frow & Payne, 2011). In contrast to the G-D logic, the S-D logic states that customers participate in the co-creation of value, which they assess through the sharing and integrating of resources with suppliers, especially their skills and knowledge. Rather than firms marketing to customers (i.e., producers taking products to market), emphasis is placed on suppliers and other parties marketing with customers (i.e., both sellers and buyers participating) as part of an interactive, relational process (Ballantyne et al., 2011). However, this interaction at customer-supplier encounters is influenced by information asymmetry, the obscurity of the value options and the problem solving process, and the indefinite nature of available resources within the parties (Aarikka-Stenroos & Jaakkola, 2012). Referring to the notion of information asymmetry (together with the complexity) inherent in knowledge intensive business, both supplier and customer are challenged in value co-creation: it might be difficult for the supplier to communicate the value proposition in advance and to manage the service process to achieve the best service encounter; whereas the customer might find it difficult to understand and evaluate the value potential (Aarikka-Stenroos & Jaakkola, 2012). Despite this challenge in value co-creation, customer resources (e.g. knowledge) are nevertheless critical to the problem solving process (Aarikka-Stenroos & Jaakkola, 2012). If these challenges are acknowledged and managed well, the parties are better able to create optimal value-in-use (Aarikka-Stenroos & Jaakkola, 2012). Findings out of the study conducted by Aarikka-Stenroos and Jaakkola (2012) indicate that in the context of knowledge intensive services, customers may exert a remarkable influence also on the formulation of the value proposition through negotiation and the contribution of their own resources. Besides, their findings emphasized that suppliers as well as customers play a critical role in the problem solving process; while knowledge intensive service suppliers contribute resources such as accumulated specialization and professional integrity, customers typically contribute information about their needs and their business (Aarikka-Stenroos & Jaakkola, 2012). Corresponding to the S-D logic, firms can initiate or participate in the development of customer value propositions, value is co-created during interactions, and beneficiaries will determine what is of value in their own terms (Ballantyne et al., 2011). Therefore, it means that value cannot be delivered to the customer in accordance with a value proposition, as the G-D logic-informed value proposition literature maintains, because value depends on both the interaction and the customer context (Skålén et al., 2015).

For the purpose of this research the S-D logic perspective is adopted. As emphasized by Frow and Payne (2011), S-D logic has given a new relevance to the concept of value propositions by taking it as a fundamental premise. The original conceptualization placed the value proposition as the first

step in value delivery, while S-D logic suggests value is not delivered by one party to another (Frow & Payne, 2011). As mentioned before, value is co-created in use with both parties playing a role and the value proposition sets expectations of value in-use (Frow & Payne, 2011). Moreover, Ballantyne et al. (2011) proposed a reformulated fundamental premise, as originally formulated by Vargo and Lusch (2004): *“An enterprise can initiate or participate in developing value propositions as reciprocal promises of value but beneficiaries will always determine what is of value in their own terms”* (Ballantyne et al., 2011, p. 205). Adjacent to the work of Ballantyne et al. (2011), Vargo and Lusch (2008) and Skålén et al. (2015), indicate the importance of resource integration based on knowledge and competencies with regard to the development of value propositions between supplier and customer. This S-D logic perspective towards value propositions differs in two major aspects from the G-D logic towards value propositions: i.e. the focus on co-creation and the importance of resource integration (Skålén et al., 2015). Referring to the notion of ‘co-creation’, Kowalkowski (2011, p. 16) stated: *“By developing their internal capabilities and applying a dynamic S-D logic perspective on value, service providers should be better able to recognise, shape, and exploit opportunities for the co-creation of value.”*

According to Kowalkowski (2011), customers should not be segmented only on the basis of current and potential relationship proximity, however, but also on the customers’ current and potential role in the value creation process. In addition, from a managerial point of view, firms must manage different customer segments through different value propositions, based on a multidimensional segmentation scheme that recognizes the dynamic nature of value and value propositions (Kowalkowski, 2011). So, based on the communication between firms, customers and stakeholders, firms develop reciprocal value propositions, with one firm perhaps having multiple value propositions with different stakeholders (Skålén et al., 2015). While the concept of customer value proposition has become one of the most widely used terms in business markets in recent years, yet management practice exhibits that there is no agreement as to what constitutes a customer value proposition or makes one persuasive (Anderson, Narus, & van Rossum, 2006). It seems that most value propositions make claims of savings and benefits to the customer without backing them up (Anderson et al., 2006). In addition, instead of tailoring their packages of services to customers’ individual needs in order to win, retain, or increase the amount of their business, many suppliers simply add layer upon layer of services to their offerings (Anderson & Narus, 1995). Results out of the study conducted by Anderson and Narus (1995), reveal that suppliers typically provide customers with more services than they want or need at prices that often reflect neither the value of those services to customers nor the cost of providing them. Moreover, it seems that many companies do not even know which services individual customer or groups of customers with similar needs really want and a surprising number do not really understand which services should be offered as a standard package accompanying either a product or a core service and which can be offered as options, because individual customer value them so much that they will pay extra for them (Anderson & Narus, 1995). Nevertheless, a relative handful of companies are beginning to recognize that they can reduce the cost of providing services and use services more effectively to meet customer’s requirements get more of their business, and enhance profits (Anderson & Narus, 1995). Anderson and Narus (1995, p. 76) stated: *“Managers should analyze their services and decide which must be offered as standard and which can be offered as options”*. Furthermore, *“Managers should try to limit their standard packages to those services that are highly valued by all customers in a segment”*, as phrased by Anderson and Narus (1995, p. 78). By developing customer value propositions in collaboration with customers, suppliers can focus on how to co-create value with customers, instead of delivering value by one party to another (i.e. G-D logic) and ultimately obtain reciprocal service.

2.1.2 Customer value and value (co-)creation

“The concept of customer value has become an important factor in attracting and retaining customers, and an essential aspect in most business strategy models” (Simová, 2009, p. 1). Value will have to be jointly created by both the firm and the customer (Prahalad & Ramaswamy, 2004). To strive for this, suppliers need to focus more on their outward orientation towards customers. Customer value can be considered as a strategic weapon, a fundamental basis in competitive strategies and a major focus of interest in marketing activities (Simová, 2009). According to Desarbo, Jedidi and Sinha (2001), the goal and use of assessing customer value is to get an understanding what buyers value within a given offering, creating value for them, and then managing it over time. It is argued by Desarbo et al. (2001) that assessing customer value is a key element of every market-oriented firm’s strategy. Leemreize (2015, p. 3) thereby state that *“it can be argued that an understanding of customer value and value creation is necessary in order to be able to build a value proposition that is attractive to a customer”*. Because of the extensive body of conceptual knowledge about customer value, different views need to be consolidated to formulate a universally applied definition (Woodruff, 1997). For the purpose of this research the following definition will be incorporated:

“Customer value is a customer’s perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer’s goals and purposes in use situations” (Woodruff, 1997, p. 142).

It is essential to grasp the pattern of value creation (Osterwalder A. , Pigneur, Smith, Bernarda, & Papadakos, 2014). This includes organizing information about what customers want in a simple way that make the patterns of value creation easily visible gains (Osterwalder et al., 2014). By doing this as an organization, you will more effectively design value propositions and profitable business models that directly target your customers’ most pressing and important jobs, pain, and gains (Osterwalder et al., 2014). It is argued that informed, networked, empowered, and active customers are increasingly co-creating value with the firm (Prahalad & Ramaswamy, 2004). This is in line with the rapid shift of the meaning of value and the process of value creation from a product- and firm-centric view to personalized consumer experiences (Prahalad & Ramaswamy, 2004). Prahalad and Ramaswamy (2004), emphasized that the interaction between the firm and the consumer is becoming the locus of co-creation of value and economic value extraction, and co-creation experiences are the basis of value. However, what about the complication in industrial markets that value creation usually involves many companies and other actors where the links between them are interdependent and projects tasks are not completely controlled by any one of them. According to Ballantyne, Frow, Varey and Payne (2011), this systemic perspective is not widely understood by business firms, although the global financial market crisis of 2008-2009 initiated a rethink of the convention of firms acting as discrete entities and captive to the self-interested profit maximizing economic model.

To comprehend the process of value co-creation, the work of Prahalad and Ramaswamy (2004); Aarikka-Stenroos and Jaakkola (2012) and Leemreize (2015) are incorporated. While Prahalad and Ramaswamy (2004) identified building blocks of *interactions* between the firm and the consumers that facilitate co-creation experiences, Aarikka-Stenroos and Jaakkola (2012) and Leemreize (2015) developed a process-based conceptual framework for understanding and improving value co-creation within the context of S-D logic.

Referring to these building blocks of interactions: Dialog, access, risk-benefits, and transparency (DART), they are emerging as the basis for interaction between the consumer and the

firm (Prahalad & Ramaswamy, 2004). In a wide variety of industries, the shift from a “firm-centric” view of value creation to a “co-creation” view of value creation is demonstrated (Prahalad & Ramaswamy, 2004). This change involves the co-creation of value through personalized interactions based on how each individual wants to interact with the company (Prahalad & Ramaswamy, 2004). Given the fact that no one can predict the experience a consumer will have at any point in time, the task of the firm is one of innovating robust experience environments (Prahalad & Ramaswamy, 2004). Prahalad and Ramaswamy (2004, pp. 11-12) stated the following: *“Co-creation converts the market into a forum where dialogue among the consumer, the firm, consumer communities, and network of firms can take place.”*

The study conducted by Aarikka-Stenroos and Jaakkola (2012) analyzed the dyadic, collaborative processes of value co-creation in the context of knowledge intensive business services. They identified five collaborative activities constituting the process of value co-creation of complex offerings: 1) diagnosing needs, 2) designing and producing the solution, 3) organizing the process and resources, 4) managing value conflicts, and 5) implementing the solution.

Reflecting on the work of Leemreize (2015), a holistic understanding on service delivery and value (co-) creation is presented, by integrating existing understandings and theories of Zeithaml (1988); Lovelock and Gummesson (2004) and Grönroos (2011). Leemreize (2015, p. 14) emphasized four concluding and summarizing premises that can be made regarding the task and the role of the firm in this value delivery and value creation process, from which three are incorporated within this research:

1) Reciprocal value creation (or joint value creation) is the basis of all business, as is stressed by Grönroos (2011). In addition, referring to today’s emphasis on value-in-use, increasing value-in-use for the customer should be the desired outcome when improving the value delivery and value creation process. In exchange, this enables the company to gain financial value in return (Grönroos, 2011).

2) Firms can improve the creation of value-in-use by influencing and facilitating the customer’s usage of the provided resources, by means of the value co-creation process. In doing so, this will enable firms to help customers in creating value beyond merely offering value propositions. However, as is stated by Grönroos (2011), the customer will always be the fundamental creator of value and the firm just be a value facilitator. So, to create joint value both parties need to be in interaction with each other. Resulting in the following premise that:

3) Value co-creation is only possible when there is a service encounter, which serves as the interaction platform between firm and customer. By assessing and improving the quality of the service encounter, firm can increase the opportunity to generate more value for the customer through the value co-creation process, and by doing so enhance the delivered value. To accomplish, it is important to utilize the service quality model of Zeithaml et al. (1990) in improving the quality of these service encounters. In the case of when this service interaction is not present, or if customers do not want to be involved into co-creation, companies can only offer value propositions to their customers and cannot engage in value co-creation with them.

Based on the proposed holistic understanding and their concluding premises, Leemreize (2015) distinguished three main processes:

1) The service interaction process, 2) The value co-creation process, 3) The value-in-use facilitation process.

2.1.3 Adopting a dyadic perspective for reciprocal customer value propositions

Consistent with the study conducted by Ballantyne et al. (2011), this research emphasizes that earlier research streams have remained rather supplier oriented in their approach to understand the development of (reciprocal) customer value proposition. Value propositions were conceptualized as supplier-crafted value for customers, which encapsulated vestiges of G-D logic and did not incorporate the notion of reciprocity (Ballantyne et al., 2011). In other words, it involved a marketing offer or promise initiated or communicated by one party to another, thought to be of value to a customer, with the intent that it will be accepted by the customer (Ballantyne et al., 2011). The study of Ballantyne et al. (2011), is among the first studies that examined the meaning and functioning of value propositions seen through the lens of S-D logic.

Referring to the statement that the dyadic and systemic perspective towards value creation are not widely understood by business firms, the view that firms are not unique controllers of their own fate fits well with the S-D logic emphasis on the reciprocity of service (Ballantyne et al., 2011). To illustrate, think of our contemporary internet environment that favors a shift in business mindsets to accommodate the idea of the market as a network of social actors with economic interests, such that their communicative interactions have important economic consequences (Ballantyne et al., 2011). According to Kowalkowski (2011), despite the emphasis on long-term customer value creation, it is essential that value propositions are designed to create value for all parties involved; the service is likely to be unsustainable otherwise. Firms are emerging as *“participating, adaptive, sensing and learning organizations that have to respond to unforeseen and unforeseeable opportunities and problems”*, which involves a shift in a firm’s strategic point-of-view to recognize the network of relationships in which they and their customers, suppliers, other institutions and their respective employees are embedded (Ballantyne et al., 2011, p. 205).

Although this research acknowledges the systemic perspective towards value creation and therefore emphasizes that value propositions do not always have to be limited to dyadic, two-way promises of value, customer value propositions are described as reciprocal promises co-created between two counter-parties.

Considering the notion of reciprocal value propositions, results out of the study carried out by Skålén et al. (2015, pp. 149-150) indicated the following: *“1). Value propositions are sometimes reciprocal and sometimes firm initiated, without any direct customer involvement. 2). Personnel involved in developing value propositions use their experience of co-creating the service with their customer in tandem with other forms of knowledge in order to construct value propositions”*. With regard to the former finding, one case showed that the value proposition was negotiated both with the customer and with other stakeholders and that the firm can agree on a reciprocal value proposition with a client through co-creation, while other cases suggested little direct customer involvement in defining value propositions (Skålén et al., 2015). For example, an adult habilitation case, which pointed out that some customers are unable to co-create value via direct interaction due to, for instance, mental disability (Skålén et al., 2015). With respect to the latter finding, this implies that value propositions which are not reciprocal are informed by customer value co-creation indirectly (Skålén et al., 2015).

Several key aspects of the concept of customer value proposition, its relation with the concepts of value (co-)creation and value-in-use, and the notion of reciprocity have been outlined. The following part will elaborate on the accountancy sector, its changing nature and its potential for the future.

2.2 Accounting services and its existence nowadays

Given the fact that markets for statutory accounting services (i.e. consisting of editing annual accounts/tax returns, salary administration etc.) are becoming increasingly competitive and these services will be to a large extent automated, small business customers will become more self-reliant and will be able to perform a major part of the statutory services external accountants offer themselves (Howieson, 2003). Therefore, small medium-sized accountancy firms are directed to become more multidisciplinary and must compete with other existing and emerging advisory professionals to create value for and with their customers in a unique and different way (Howieson, 2003). According to Døving and Gooderham (2008), one important characteristic of the smaller firms in the SME category is that they rarely have the resources to allow accounting duties to be conducted in-house. Consequently, small firms often seek external assistance from accountants and because of the long-term, regular cooperation small firm accountancy practices have with their customers through the provision of statutory accounting services, there is a potential for the development of trust required to act as business advisors (Døving & Gooderham, 2008). It appears that while accountants have the attention of their SME customers they could add more areas of service to their statutory services, which could assist the SME in running their businesses (Samujh & Devi, 2008). It is argued that there are at least two conditions that must be fulfilled, to increase the tendency for a small firm to purchase business advice (i.e. non-audit services) from its accountant (Gooderham, Tobiassen, Døving, & Nordhaug, 2004). First, it is required that the statutory service of the authorized accountancy must be perceived as being of high quality (Gooderham et al., 2004). Second, considering the small firm itself, it must have an ambition to grow or to develop in the sense that it is receptive to the advisory service being offered (Gooderham et al., 2004). This refers to the notion of strategic intent, which is the willingness to set goals and aspirations that create a motivating gap between ambition and existing resources (Gooderham et al., 2004). Together with absorptive capacity, which is a dynamic capability that is embedded in a firm's routines and processes making it possible 'to recognize the value of new information, assimilate it, and apply it to commercial ends', strategic intent could lead to competence development and the use of business advisory services. Future research will seek to explore the significance of these two factors (i.e. strategic intent and absorptive capacity) for the purchase of business advisory services (Gooderham et al., 2004).

However, reflecting on the notion of long-term small firm accountancy practices, results out of the study conducted by Gooderham et al. (2004) indicated that a small firm's satisfaction with its accountant is actually independent of the duration of the relationship and small firms are reluctant to change accountant even when they are dissatisfied. Due to the notion of long-term relationships it is often argued that this will often result in a high degree of trust between the parties involved (Gooderham et al., 2004). Consequently, since it might be concluded that trust is an important factor in the purchase of advisory services, the longevity of the relationship between the small firm and the accountant would be essential in determining their use as business advisors (Gooderham et al., 2004). According to Gooderham et al. (2004), trust seems to be more a result of the quality of the service delivered rather than the duration of the relationship. Moreover, referring to the work of Ballantyne et al. (2011), they consider reciprocal value propositions as essential to formulating equitable exchange, and from that, a basis of trust for longer term relationships. With respect to the reluctance to change accountant, it may be the asymmetry of the information that may be assumed to exist between an accountant and a small firm (Gooderham et al., 2004). Given this asymmetry, it becomes difficult for an owner-manager to assess whether a new accountant will do a better job, as a result of which the small firm chooses to stay with its existing accountant (Gooderham et al., 2004). Besides, it

might be that although the owner-manager is not satisfied with his accountant, he may consider that the regulatory responsibilities are being sufficiently attended to (Gooderham et al., 2004).

Moreover, 'standing next to the customer' to increase customer satisfaction will not mean in advance that accountants need to provide more advisory services (Snoei, 2011). Referring to the research of Snoei (2011), findings indicate that although there is an association between non-audit services and the level of customer satisfaction, it is not statistically significant and therefore not justified to state that an increase in non-audit services will lead to an increase in customer satisfaction. Possible explanations for this could be that the expectations of the customer, with regard to the relational benefits in the context of audit services are less than in the context of non-audit services, the experienced relational benefits in the context of non-audit services are less than expected or the declared audit fees are also partly pertained to the advisory function of the accountant (Snoei, 2011). Snoei (2011) described the relation between non-audit fee and customer satisfaction, where customer satisfaction is classified into two different ways, namely aspects of quality (i.e. reliability, assurance, responsiveness and empathy) and benefits experienced (i.e. actual core benefits and relational benefits). Furthermore, customer satisfaction is the difference between what you expect and what is real, in the field of core benefits as well as relational benefits (Snoei, 2011). It is argued that customer satisfaction is largely dependent upon the delivered quality of the service as core benefit (Snoei, 2011). At the same time, the way in which the service is delivered, will determine the customer satisfaction (Snoei, 2011). Thereby, the relational benefits as well as the accessibility of the accountant and the friendly relationship with a customer will play an important role (Snoei, 2011). To conclude, Snoei (2011) emphasized that for small and large firms holds that different variables will be of particular importance in relation to the degree of customer satisfaction. So, a differentiated approach, with regard to the service provision, is required towards smaller and larger firms (Snoei, 2011).

To strive for adding more areas of service to their statutory accounting service, accountants need to develop new skills and understandings to deliver the intangible product 'advice' (Samujh & Devi, 2008). However, there are some differences in the scope of the business advisory services small firm accountancy practices supply (i.e. services over and above statutory accountancy services), which could be explained by employing a dynamic capability view of the firm (Døving & Gooderham, 2008). The evolvement of the dynamic capability to meet the requirements of a changing environment is a challenge involving the ability to exploit both internal and external competencies (Døving & Gooderham, 2008). In the research of Døving and Gooderham (2008), the focus is on small firm accountancy practices that have diversified beyond selling statutory accountancy services (i.e. audit services) to their clients by developing new products in the form of business advisory services (i.e. non-audit services). They stated the following: *"Given standardized competencies for the production and delivery of the former, together with uniform incentives to diversify, we argue that change in product scope derives from the possession of dynamic capabilities. Our view is that dynamic capabilities are best conceived as enduring routines, systems, and processes that are visible, known, and managerially intended as a means to achieving new resource configurations."* (Døving & Gooderham, 2008, pp. 844-845). Regarding the dynamic capabilities view of the firm, Døving and Gooderham (2008) stressed three implications for authorized accountancy practices in terms of their ability to generate a broad scope of business advisory services. First, the configuration of the practice's human capital resources, which refers to heterogeneous human capital and the internal synergies they confer. Second, the importance of possessing internal development routines and systems. Finally, the significance of having processes for developing alliances. In purely pragmatic terms, the first implication involves recruiting front-line staff with education types that are less narrowly geared to the technical

characteristics of accountancy and have a bachelor's and/or master degree level of education (Døving & Gooderham, 2008). Also, it holds that small firms' accountancy practices must have routines and systems in place that ascertain the regular development of their human capital, as well as the processes that facilitate the development of alliances with a range of other service providers (Døving & Gooderham, 2008). By incorporating the studies of Gooderham et al. (2004), Bulukin, Gooderham and Lund (2005) and Døving and Gooderham (2008), the elements of small-firm accountancy practices needed to develop and successfully sustain business advisory services, could be listed as follows. First, a long-term strategic intention has to be established. Given the fact that it takes time to establish new routines and to integrate them as a part of the firm. Second, small firm accountancy practices must embrace individuals with different but complementary competencies, next to specialists in statutory accounting services. Furthermore, these practices should develop routines for knowledge development, which refers to a well-developed absorptive capacity. Third, the notion of trust between the small firm accountant and a client is crucial. The importance of trust is emphasized before, which seems to be a result of the presence of reciprocal value propositions to formulating equitable exchange and/or the quality of the service delivered, instead of the duration of the relationship. At last, it is essential to understand how to build and sustain close and lasting relations with clients. Bulukin et al. (2005) translated aforementioned elements into a program of professional development aimed at small-firm accountants who aim to become pro-active small-firm business advisors. This program consists of four dimensions (Bulukin et al., 2005, p. 7-8):

1. The first dimension focuses on the accounts as a strategic tool for improving the value creation of clients.
2. The second dimension aims to explore how routines for absorptive capacity and knowledge development may be developed.
3. The third dimension of the program is concerned with how to interact with clients on the basis of their own particular organizational culture.
4. The final dimension is about personal development and training in the role as business advisor.

To conclude, next to describing the elements of small-firm accountancy practices needed to develop and successfully sustain business advisory services, several key aspects of the concept of dynamic capability are highlighted and the dimensions of a program of professional development aimed at small-firm accountants who aim to become pro-active small-firm business advisors are depicted. The following part concerns the description of crafting reciprocal customer value propositions.

2.3 Developing reciprocal customer value propositions in small medium-sized accountancy firms

Given the changing nature of accounting services for small medium-sized accountancy firms, due to thorough developments within the accountancy landscape and the changing needs of customers, the relevance of applying the concept of customer value proposition is evident. According to Woodruff (1997), driven by more demanding customer, global competition, and slow-growth economies and industries, many organizations search for new ways to achieve and retain a competitive advantage. As is mentioned before, it is likely that the next major source for competitive advantage will come from high-quality interactions that enable an individual customer to co-create unique experiences with the firm (Prahalad & Ramaswamy, 2004). To strive for this, suppliers need to focus more on their outward orientation towards customers. If organizations want to gain a competitive advantage a distinctive customer value proposition needs to be developed (Rintamäki & Mitronen,

2011). Furthermore, Rintamäki and Mitronen (2011, p. 6) stated the following: *“competitive customer value propositions should increase the benefits and/or decrease the sacrifices, build on those competencies and resources that can be better utilized than competitors’, be unique and hence recognizably different from the competition, and result in competitive advantage.”* Referring to the importance for organizations to grasp the key developments within their sector, adapt to a changing business landscape and understand their customers, these are ingredients which are required to be able to strive for a viable business on the long term.

This section will be structured by incorporating the work of Raisch, Birkinshaw, Probst and Tushman (2009), Ballantyne et al. (2011) and Wester (2013), with the purpose to describe thoroughly how to develop reciprocal customer value propositions.

By developing compelling value propositions, organizations know how they can persuade their business customers to pay the premium prices the offerings deserve (Anderson et al., 2006). According to Anderson et al. (2006), to develop compelling customer value propositions, companies have to understand customers’ business, substantiate their own value claims, document the value delivered and make customer value proposition a central business skill (Anderson et al., 2006). However, these practices lack an understanding of the notion of co-creation and the notion of reciprocity, which are key to the S-D logic. Considering the work of Ballantyne et al. (2011), they emphasize that there is a need for a strategic understanding in the manner of Mintzberg’s (1994) notion of emergent strategies, with regard to the crafting, formation and implementation of reciprocal value propositions. The notion of strategy emergence acknowledges that while strategic direction may indeed be set in place as part of a formal planning process, outcomes are the result of complex interactions which cannot be known in advance (Ballantyne et al., 2011). Moreover, from the perspective of strategy-as-practice, which investigates how managers actually ‘do strategy’, strategy formulation can involve many business actors interacting, not just designated strategists, to achieve actionable conclusions (Ballantyne et al., 2011). By understanding the concept of reciprocal value propositions, it is obvious that it integrates well with the strategy-as-practice perspective, as both are grounded in patterns of communicative interaction, with the final form and content emerging through that communicative interaction (Ballantyne et al., 2011).

To understand how reciprocal value propositions can be developed, Ballantyne et al. (2011, p. 206) described it as follows: *“value propositions should be crafted; as a reciprocal exchange of value; described in terms of perceived benefits or reduced costs; transparent about to whom that value should flow and how; perceived as a fair exchange of value; delivered over a time frame longer than a single transaction; often co-created through interaction between two or more parties; and, congruent with the relationship objectives set for a particular market”*. It is suggested that an invitation to a counterpart to talk about mutual requirements, might function as a starting point for the development of reciprocal value propositions (Ballantyne et al., 2011). After which, a draft reciprocal proposition could then be crafted by one party as a basis for bargaining with the counterpart (Ballantyne et al., 2011). In potential, this might result in adjustments and agreement between the parties (if accepted) on the fairness of the expected reciprocal value as proposed, which will subsequently be tested as value-in-use (Ballantyne et al., 2011). Although, it might seem evident and clearly structured in this incremental way, crafting reciprocal value propositions allow attention to focus on the activity of proposing (as a process), as well as to focus on the objective of the proposition (as an expected outcome) (Ballantyne et al., 2011). Ballantyne et al. (2011, p. 207), clearly outlined the following: *“This practice involves mutual appreciation (e.g. Vickers, 1968, 1983) of a kind that recognizes the evolutionary content of communicative interactions, their interpretation, and resulting choices of*

course of action.” Consequently, by taking into account these considerations, it indicates the need to reflect on some key fundamental marketing assumptions that could constrain the development of reciprocal value propositions (Ballantyne et al., 2011). While the mainstream perspective of exchange in marketing has an inbuilt transactional bias that exists in contradiction to more relationship oriented practices, three assumptions are listed that could create barriers for some firms in the crafting and communicating of reciprocal value propositions (Ballantyne et al., 2011): *adopting an interaction viewpoint on the meaning of exchange, from a supplier-dominant to an initiator-participant perspective and from communication-as-transfer to communication-as-process.* These three assumptions involve a mindset shift, which is needed to support reciprocal value propositions (Ballantyne et al., 2011). Ballantyne et al. (2011, p. 208) suggested a reassessment of these marketing assumptions and initiated a solid platform for evaluation of communicative interactions, which involves three connected stages:

- **Value propositions:** *an evaluation of efficacy of specific interactive episodes in the development of reciprocal value propositions between key actors.*
- **Resource integration:** *an evaluation of specific integrative network linkages, for example, from procurement to customer delivery to ongoing service.*
- **Value-in-use:** *an evaluation of the value of goods and other resources integrated by a counterpart into their own value creating processes. Because physical goods are a store of potential value, this may need a tracking study of a counterpart's value-in-use over the lifetime of physical assets.*

The interrelatedness of these stages and the platform in total, structure the link between the development of reciprocal value propositions and the co-creation and improvement of reciprocal value over time (Ballantyne et al., 2011).

To establish growth, be attractive to customers and be able to craft compelling customer value propositions, the relationships between the organization and its customers are critical (Wester, 2013). Besides, to strive for improving organizational performance and dealing with the conflicting tendencies to simultaneously exploit and explore, there is a need for organizations to become ambidextrous (Raisch et al., 2009). By incorporating the work of Wester (Wester, 2013), this research acknowledges the relation between the functional area of Marketing and the challenge for organizations to become more ambidextrous, by simultaneously exploit and explore. Managing relationships, refers to the concept of relationship marketing, which is considered as the complete process of the attraction, preservation and development of customers to increase customer loyalty (Wester, 2013). Regarding the management of customer relationships, a difference has to be made between existing and potential customers and different customer segments, which need to be managed through different value propositions (Kowalkowski, 2011). Relationship marketing addresses the use of all customer information which is present, offer qualitative services to customers and by doing this continuously improve the relationship with every key customer (Wester, 2013). On the basis of this information about customers, small medium-sized accountancy firms could improve (i.e. exploit) their statutory accounting services (i.e. audit services) and develop (i.e. explore) their business advisory services (i.e. non-audit services).

Ambidextrous organizations can be described as organizations which are capable of

simultaneously exploiting existing competencies and exploring new opportunities (Raisch et al., 2009). Raisch et al. (2009), emphasize that ambidexterity research usually describes organizational mechanisms to enable ambidexterity, but indicate that some studies also focus on an individual's ability to explore and exploit. These two perspectives could be interconnected, while organizational mechanisms may be required to enable ambidexterity at the individual level, ambidextrous individuals may be vital to the usefulness of organizational mechanisms (Raisch et al., 2009). When tensions that ambidexterity creates are resolved at the next organizational level, you can think of a business unit that become ambidextrous by creating two functions or subdivisions with different foci, a manufacturing plant that become ambidextrous by creating two different teams and a single team may become ambidextrous by allocating different roles to each individual (Raisch et al., 2009). Referring to ambidexterity on the individual level, individuals can take on both exploitative and explorative tasks, but this will create a number of challenges that need to be addressed: manage contradictions and conflicting goals, engage in paradoxical thinking, and fulfill multiple roles (Raisch et al., 2009). Personal characteristics (e.g. breadth of prior knowledge categories) as well as organizational factors (e.g. formal senior team contingency rewards and informal senior team social integration) affect individuals' ability to act ambidextrously (Raisch et al., 2009). As is argued by Raisch et al. (2009), the extensive amount of research which integrate the notion of ambidexterity provide a strong indication that organizational factors have to be considered alongside personal characteristics when explaining individuals' ambidexterity. To conclude, first it is stated that managers can exhibit (to different degrees) personal ambidexterity by engaging in both exploitation and exploration activities (Raisch et al., 2009). Second, it is evident that the extent to which managers are ambidextrous will fluctuate within and across contexts (Raisch et al., 2009). This fluctuation is determined by personal characteristics and the organizational contexts faced by the managers (Raisch et al., 2009). Finally, organizational ambidexterity is effected by, but not restricted to, its members' cumulative personal ambidexterity (Raisch et al., 2009).

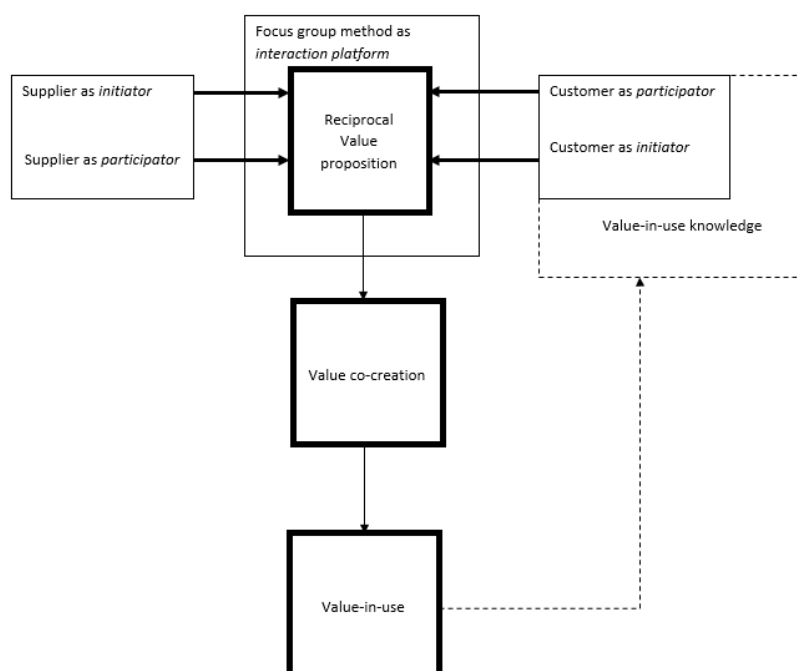
It is evident that the customer value proposition concept and, more specifically, the process of developing reciprocal customer value propositions is composed of many different aspects, which need to be taken into account. Next to the different aspects which are related to the dialectical process of developing reciprocal value propositions, this study integrates two key concepts which are related to the customer value proposition concept and which are extensively described in existing literature. The three key concepts refer to: *reciprocal value proposition*, *value co-creation* and *value-in-use*. However, existing research falls short in clearly describing the relation between these three concepts, through the lens of S-D logic. This research attempts to clearly depict the relation between these three concepts and to understand their connection throughout the whole research. To illustrate, **Figure 2: Conceptual model of developing reciprocal customer value proposition**, is developed. This conceptual model is designed by incorporating several conceptualizations and perspectives from existing literature (i.e. Ballantyne et al., 2011; Frow & Payne, 2011; Aarikka-Stenroos & Jaakkola, 2012; Leemreize, 2015; Sahhar, 2016)

Referring to the work of Ballantyne et al. (2011) and Frow and Payne (2011), they take a systemic perspective towards value creation, which indicate an increased emphasis on a broader value-creating system. Both studies indicate that value propositions sets expectations of value-in-use and value is co-created in use with both parties playing a role. More specifically, this conceptualization suggests that value is not delivered by one party to another. Besides, Ballantyne et al. (2011) proposed a reformulated fundamental premise, which basically indicates that supplier as well as customers can initiate and participate in the development of value propositions as reciprocal promises of value. In

addition, the reformulated fundamental premise includes the notion that beneficiaries will always determine what is of value in their own terms. With regard to value co-creation, the study of Aarikka-Stenroos and Jaakkola (2012) demonstrated that within knowledge intensive services, value co-creation occurs through a dyadic problem solving process encompassing different activities, which may occur in parallel and in diverse order. Furthermore, Leemreize (2015) presented a holistic understanding of value (co-)creation, by integrating three existing understandings and theories on value delivery and value creation. The core elements of these existing theories are re-structured into a chain of three interconnected and subsequent processes: the service interaction process, the co-creation process and the value-in-use facilitation process. Finally, Sahhar (2016) extensively described the relation between value-in-use, firms and their value propositions.

So, by integrating aforementioned studies the customer value proposition can be described as reciprocal promises co-created usually between two counter-parties (Frow & Payne, 2011; Ballantyne et al., 2011). Moreover, an organization can initiate or participate in developing customer value propositions as reciprocal promises of value, but beneficiaries will always determine what is of value in their own terms (Ballantyne et al., 2011). Corresponding to the S-D logic, firms need to facilitate a dialectical process of developing reciprocal value propositions with customers. Customers will use their value-in-use knowledge (i.e. customer insights) to initiate or participate in the development of reciprocal value propositions. This research makes use of focus group sessions that serve as an interaction platform for supplier and customer. With regard to the development of reciprocal value propositions Ballantyne et al. (2011, p. 205) stated: *“A beneficiary's value assessment begins with an assessment of the equity (fairness) of any reciprocal value proposition. Co-ordinating a reciprocal value proposition continues until the sequence of proposals and essential detail is seen to make sense from their respective points of view.”* If the sequence of proposals and essential details make sense from the view of the firm as well as the customer, value is co-created during interactions (Aarikka-Stenroos & Jaakkola, 2012; Leemreize, 2015). Ultimately, value resulting from these (personalized) interactions will be subjectively determined by the customer in context (Vargo & Lusch, 2004; Skålén et al., 2015; Sahhar, 2016).

Figure 2: Conceptual model of developing reciprocal customer value proposition



3. Methodology for capturing the development of reciprocal customer value proposition

3.1 Research design

In order to study the dialectical process of developing reciprocal value propositions in the context of small medium-sized accountancy firms a case study design was chosen, because it entails the detailed and intensive analysis of a single case. Given the fact that the phenomenon of the dialectical process of developing reciprocal customer value propositions in the context of knowledge intensive business services is not sufficiently structured or analyzed in existing research, this case study approach suits well with the exploratory nature of the study (Aarikka-Stenroos and Jaakkola, 2012). Referring to the work of Stake (1995) and Yin (2003) and the constructivism or interpretivist (Ponterotto, 2005; Morrow, 2005) paradigm on which they based their case study approach, this research also accepts constructivism as the paradigm of choice in informing and guiding inquiry (Guba & Lincoln, 1994). The constructivism paradigm recognizes the importance of subjective human creation of meaning and is built upon the premise of a social construction of reality (Baxter & Jack, 2008). Constructivism is characterized by a close collaboration and the centrality of the interaction between the researcher and the participant, which enables participants to tell their stories (Ponterotto, 2005; Baxter & Jack, 2008). This permits the researcher to better comprehend the participants' actions (Baxter & Jack, 2008). Moreover, as is stated by Ponterotto (2005, p. 129): *"The researcher and her or his participants jointly create (co-construct) findings from their interactive dialogue and interpretation"*. Referring to the work of Bryman and Bell (2011), they make a distinction between constructionist and interpretivist. While an ontological position described as constructionist, indicates that social properties are outcomes of the interaction between individuals, an epistemological position described as interpretivist, concerns the focus on understanding the social world through an examination of the interpretation of that world by its participants (Bryman & Bell, 2011). According to Guba and Lincoln (1994) and Ladyman (2007), ontology refers to the theory of "what exists" and is the foremost concern of metaphysics and epistemology concerns the theory of "knowledge" and as such relates to the analysis of knowledge and its relationship to belief and truth.

The term case study can be associated with several things, such as a single organization, a single location, a person, a single event, a program or a process (Baxter and Jack, 2008; Bryman and Bell, 2011). Within this research the term case study is associated with the dialectical process of developing reciprocal customer value propositions, between a small medium-sized accountancy firm and their customers and potential customers within the healthcare sector. Baxter and Jack (2008) emphasize that the case is in effect your unit of analysis, while the unit of observation refers to the representatives of the varied healthcare organizations and the representatives of the small medium-sized accountancy firm. The uniqueness of a case study approach is the focus on a bounded situation or system, an entity with a purpose and functioning parts (Bryman & Bell, 2011). Case studies incorporate the assumption that the in-depth knowledge of such a bounded situation, system or entity can compensate for the potential lack of breadth and possibilities to generalize (Martin & Hanington, 2012). Furthermore, concerning the use of case studies, Baxter and Jack (2008, p. 544) stated the following: *"It allows the researcher to explore individuals or organizations, simple through complex interventions, relationships, communities, or programs and supports the deconstruction and the subsequent reconstruction of various phenomena"*.

With regard to the type of case study conducted, Baxter and Jack (2008) emphasizes that the selection of a specific type of case study design will be guided by the overall purpose of the study. Given the purpose of this study, a single case study design is used as a pilot for examining the dialectical process of developing customer value propositions, within one specific sector (i.e. healthcare sector).

Concerning the scope of this research the single case study is not used as a preliminary or pilot in multiple case studies (Rowley, 2002). Although, the context within which the dialectical process of developing reciprocal customer value propositions will be examined is critical, the basic idea is that the format of questions and statements which is designed to structure the round table discussion, can be applied to multiple settings (i.e. sectors). Besides, as is stated by Hellström et al. (2005, p. 12): *“While the results of a case study are not generalizable in the classical sense, it is argued that findings from a single case study can be ‘related to’, ‘transferred to’, or ‘recontextualised’ to other like contexts”*.

However, while the questions and statements which are designed to structure the round table discussion can be applied to multiple settings, this does not indicate that small medium-sized accountancy firms can adopt a universal process of developing reciprocal customer value propositions. Every small medium-sized accountancy firm has a certain customer base, which can be segmented in different ways (e.g. by sector). To fulfill the needs of customers and create value for and with them, every customer segment needs to be approached differently. Since every customer segment may have a different set of drivers or incentives to support or not support the dialectical process of developing reciprocal customer value propositions, the process has to be customized for each customer (segment and/or every branch).

3.2 Research method(s)

Although, Eisenhardt and Graebner (2007) emphasize that the case study approach is a very popular and widely used research design in business research, and some of the best-known studies in business and management research are based on this design, the case study is very often referred to as a method (Bryman & Bell, 2011). For example, referring to the work of Baarda et al., (2013), they categorize the case study approach as a qualitative research method. While a research design comprises a structure that provides direction to the execution of a research method and the analysis of the subsequent data, a research method refers to a method which is needed to collect data (Bryman & Bell, 2011). As is emphasized above, these two terms are often confused. To illustrate, when conducting a case study, the case study entails the detailed exploration of a specific case, such as a single organization, a single location, a person, a single event, a program or a process (Baxter and Jack, 2008; Bryman and Bell, 2011). However, simply selecting a case and deciding to study it, is not going to provide data (Bryman & Bell, 2011). To collect data, a research method or research methods are needed (Bryman & Bell, 2011). So, after selecting a case, choices have to be made about the research methods to be used. For the purpose of an intensive, detailed examination of a case this research favors qualitative research methods (Bryman & Bell, 2011). Qualitative research methods refer to diverse types of empirical procedures designed to describe and interpret the experiences of research participants in a context-specific setting (Ponterotto, 2005). The qualitative case study approach is an approach that facilitates exploration of a phenomenon within its context using a variety of data sources, through which multiple facets of the phenomenon can be revealed and understood (Baxter & Jack, 2008). The principal data collection methods in this study, which are associated with qualitative research, are qualitative interviewing and focus groups - in a round table setting (Bryman & Bell, 2011). The method of focus groups provides an opportunity to encourage triangulation in research (Morgan, 1996). Given the qualitative nature of this research, focus groups have much to offer as an adjunct to other qualitative techniques, including (informant) interviewing, participant observation, surveys and a range of other qualitative techniques (Morgan, 1996; Blackburn & Stokes, 2000; Heary & Hennessy, 2002). To clearly describe the meaning of focus groups, understand its potential and complementarity, the definition formulated by Sim and Snell (1996, p. 189) is adopted: *“A focus group can be defined as*

a group interview – centered on a specific topic ('focus') and facilitated and coordinated by a moderator or facilitator – which seeks to generate primarily qualitative data, by capitalizing on the interaction that occurs within the group setting". Because of the fact that the predominant research strategy is qualitative, the case study tends to take an inductive approach to the relationship between theory and research (Bryman & Bell, 2011).

Furthermore, although the predominant research strategy is qualitative, it is important to understand and acknowledge the contrasts and similarities between qualitative research and quantitative research. Both research types can be viewed as exhibiting a set of distinctive but contrasting preoccupations, which reflect epistemologically grounded beliefs about what comprises acceptable knowledge (Bryman & Bell, 2011). Besides, regarding criticisms, there is critique of quantitative research as well as critique of qualitative research (Bryman & Bell, 2011). For example, the critique of qualitative research includes the notion that qualitative research is too subjective, it is difficult to replicate, problems of generalization and lack of transparency (Bryman & Bell, 2011). For the purpose of this research, one difference between quantitative and qualitative research will be elaborated more extensively. This difference refers to the way that qualitative researchers relate to their research subjects. As Bryman and Bell (2011, p. 413) stated: *"Specifically, qualitative researchers tend to take greater account of the power relations that exist between the researcher him or herself and the people who are the main subject of study"*. As a result of this, several qualitative approaches are developed that facilitate the active collaboration between researcher and client in designing the research and influencing the outcomes of the research process (O'Brien, 1998; Bryman and Bell, 2011). These qualitative approaches include action research, feminism, and collaborative and participative forms of enquiry (Bryman & Bell, 2011). This research involves different elements and influences of action research as well as collaborative and participatory research.

Although there is no single type of action research, it can broadly be defined as: *"an approach in which the action researcher and a client collaborate in the diagnosis of a problem and in the development of a solution based on the diagnosis"* (Bryman & Bell, 2011, p. 413). The notion of collaboration and the interaction between researcher and participant refers to one of the interpretive principles (Goldkuhl, 2012). Action research can be situated in the interpretive paradigm, which is characterized by a belief in a socially constructed, subjectively-based reality, by focusing on methods and techniques of investigation that take into account the study population's history, culture, interactive activities, and emotional lives (O'Brien, 1998; Berg, Lune, & Lune, 2004). With regard to the data collection methods, it can include keeping a diary of subjective impressions, a collection of documents related to a situation, observation notes of meetings, questionnaire surveys, interviews, tape or video recordings of meetings, and written descriptions of meetings or interviews (Bryman & Bell, 2011). Considering the principal data collection method(s) in this study, qualitative interviewing and focus groups - in a round table setting, these methods are associated with and complemented by the following data collection methods related to action research: tape or video recording of meetings and written descriptions of meetings and interviews.

This study focuses on the dialectical process of developing reciprocal customer value propositions, between a small medium-sized accountancy firm and their customers and potential customers within the healthcare sector. More specifically, together with an understanding of the concepts of value co-creation and value-in-use, the goal is to grasp 'how small medium-sized accountancy firms could develop reciprocal customer value propositions with customers to achieve and retain a competitive advantage and create value for and with their customers'. Interviews are conducted with key account managers and branch managers of a small medium-sized accountancy

firm. Within this small medium-sized accountancy firm, these key account managers and branch managers are also performing the role of accountant-advisor. The findings related to these interviews represent the supplier perspective towards value creation, which comprises elements of the customer value proposition concept, the value co-creation concept and the concept of value-in-use. While the focus of this research is to map out the dialectical process of developing reciprocal customer value propositions, a round table discussion was organized with a group of customers and suppliers, who were divided into focus groups to represent the combined perspective of customer and supplier towards the development of reciprocal customer value propositions. Besides the fact that the research can be considered as 'action research', it also involves elements and influences of participative research and collaborative enquiry. This can be explained as follow, by integrating the work of Bryman and Bell (2011):

- The research involves diverse parties, including a general practitioner, physiotherapists and directors of varied welfare organizations, whose interactions could not be predicted or controlled.
- The diverse perspectives of different parties need somehow to be integrated, despite the possibility for a high degree of misunderstanding and conflict that could exist between them.
- The research will be organized in a way that enable the use of resources to understand the value creation system and facilitate dialogue to develop reciprocal customer value propositions as well as to generate abstract knowledge.
- The outcomes of the research can be complicated and ambiguous, bringing forth competing explanations that reflect various parties.
- The supplier and customer perspective towards the development of reciprocal customer value propositions need to be combined in the round table setting. On its own, both perspectives will provide an incomplete picture of this dialectical process. To facilitate such a participative process and integrate both perspectives, small firm business accountants-advisors need to participate in the round table discussion and be divided in different focus groups. These small firm business accountants-advisors are not only in the best position to answer questions about their own value creation processes, but they are also the most knowledgeable about what questions to ask, how to ask the questions and how to understand the participants' responses during the round table discussion. By doing so, small firm business accountants-advisors are able to understand the value creation processes from the perspective of the customer.

To move as a researcher from an abstract level to an empirical level, where variables rather than concepts are the focus, operationalization is needed (Mueller, 2004). The following section will include the operations or procedures required to measure the concept(s) incorporated in this research.

3.3 Operationalization

This section will include a description of how to measure the conceptual model, which is incorporated in the study and depicted in **Figure 2**. The conceptual model is based on the work of Ballantyne et al. (2011); Frow and Payne (2011); Aarikka-Stenroos and Jaakkola (2012); Leemreize (2015) and Sahhar (2016). As aforementioned, corresponding to the S-D logic, firms can initiate or participate in the development of customer value propositions, value is co-created during interactions, and beneficiaries will determine what is of value in their own terms (Ballantyne et al., 2011). By extensively integrating elements out of the customer value proposition concept as the basis to obtain reciprocal service (Ballantyne et al., 2011), elements out of the value co-creation process as joint problem solving (Aarikka-Stenroos & Jaakkola, 2012) and elements out of the holistic understanding of value creation (Leemreize, 2015), this research wants to map out the dialectical process of

developing reciprocal customer value propositions. Moreover, this research attempts to identify if and how customer value propositions can be developed in dialogue between supplier and customer(s) and understand how value is subjectively determined by the customer(s) in context. These theoretical foundations grounded by Ballantyne et al. (2011), Aarikka-Stenroos and Jaakkola (2012) and Leemreize (2015) need to be converted to a practical research instrument which could ultimately be used to help small medium-sized accountancy firms in giving a holistic understanding of their value creating practices. Subsequently, such a practical instrument can improve the practical relevance of this research (Leemreize, 2015).

By incorporating the work of Aarikka-Stenroos and Jaakkola (2012), an interview guide is developed that is mainly designed according to the five identified collaborative activities constituting the value co-creation process of complex offerings: 1) diagnosing needs, 2) designing and producing the solution, 3) organizing the process and resources, 4) managing value conflicts, and 5) implementing the solution. Findings out of the study by Aarikka-Stenroos and Jaakkola (2012) illuminate two conceptually different yet intertwined processes: *the process of problem solving* (i.e. the "service production and delivery process" in knowledge intensive services), and *the value co-creation process*, which occurs during and after the problem solving process. These different yet intertwined processes are related to two of the three processes distinguished by Leemreize (2015), *the service interaction process* and *the value co-creation process*. Aarikka-Stenroos and Jaakkola (2012) developed a structured list of questions (i.e. 'Interview guide for structured interview reports'), which represents a customer and supplier perspective towards the joint problem solving as value co-creation in knowledge intensive services.

For the purpose of this research, one structured list of questions is developed that represents the supplier perspective towards value creation (see Appendix 1), which comprises elements of the customer value proposition concept, the value co-creation concept and the concept of value-in-use. This structured list of questions is composed of questions related to the knowledge intensive business services organization, the value co-creation process and the value-in-use facilitation process. The questions related to the value co-creation process and value-in-use facilitation process are organized according to the five identified collaborative activities constituting the value co-creation process of complex offerings (Aarikka-Stenroos & Jaakkola, 2012). While most of the questions are formulated based on the work of Aarikka-Stenroos and Jaakkola (2012) and Leemreize (2015), some additional newly developed questions are added to the structured list of questions, based on the combined insights in the presented conceptual model and the existing literature incorporated within the theoretical framework.

After addressing the supplier perspective towards value creation, subsequently the combined perspective of supplier and customer towards the development of reciprocal customer value propositions will be described. Based on the work of Harrell and Bradley (2009), a focus group protocol design is developed (see Appendix 2). This focus group protocol design is complemented by integrating the work of Aarikka-Stenroos and Jaakkola (2012) and Leemreize (2015). Based on their work, four main processes are distinguished on which operationalization will be based:

- 1). The current business environment. The questions related to this process are newly developed, based on the combined insights in the presented conceptual model.
- 2). The service interaction process: "*Measures the quality of the service interaction and the service delivery and the value improvements that could be made through this process*" (Leemreize, 2015, p. 16). The questions related to this process are newly developed, based on the combined insights in the presented conceptual model and by incorporating the work of Harrell and Bradley (2009).

3). The value co-creation process: *“Concerns how well the firm is engaging in the co-creation of value for customers and how this could be improved in order to increase value”* (Leemreize, 2015, p. 16). The questions and statements related to this process are formulated based on the work of Geurts and Roosendaal (2001) and Aarikka-Stenroos and Jaakkola (2012), as well as newly developed based on the combined insights in the presented conceptual model and existing literature.

4). Completing the value proposition canvas. The process of completing the value proposition canvas is related to the value proposition concept, which is extensively described by Osterwalder et al., (2014) and Kyhnau and Nielsen (2015). Based on their work, the purpose is to point out “the pains” the users struggle with, and “the gains” which they strive for, held against the “pain relievers” and “gain creators” the organization offers.

By making use of the focus group protocol, the combined perspective of supplier and customer towards the development of reciprocal customer value propositions can be elucidated. One of the main goals of this qualitative instrument is for firms to assess how they can integrate value-in-use knowledge of customers (i.e. customer insights) to get a comprehensive understanding of these four identified processes and ultimately increase customer value for and with customers by developing reciprocal customer value propositions, in dialogue with customers. Below, an overview of the operationalization of the qualitative instrument is provided. The questions that are developed and used for this instrument can be found in Appendix 1 and 2.

Table 1: Overview of empirical data for the study (Aarikka-Stenroos and Jaakkola, 2012; Leemreize, 2015)

Type of data	Quantity	Goal of measurement	Variable	Utilization in analysis and reporting
<u>Dataset 1 (Appendix 1)</u> : Face-to-face interviews with key account managers and branch managers of a small medium-sized accountancy firm	5 interviews in total	Understanding the knowledge intensive business services organization (i.e. small medium-sized accountancy firm) Assessing if customers are engaged in co-creation and how the quality of the co-creation process could be improved Assessment of the degree of value-in-use received by the customer, as interpreted by the supplier, and how, the firm could improve the value-in-use facilitation process	Knowledge intensive business services Co-creation engagement & performance Facilitation of value-in-use	Identification and analysis of the - service provision, its uniqueness and how this is communicated externally - activities that constitute the collaborative value creation process - process of diagnosing and understanding customer needs - roles of supplier and customer - resources that supplier and customer contribute to value creation - process of managing expectations between supplier-customer - the process of implementing accounting services - value-in-use in the context of accounting services (i.e. audit services and non-audit services) - influence of the collaborative process of value creation on value-in-use
<u>Dataset 2 (Appendix 2, 4a and 4b)</u> : Focus group interviewing in a round table setting	1 round table discussion with a total of 7	Understanding the current business environment (i.e. accountancy)	Business environment	Identification and analysis of the - challenges faced by customers and the small medium-sized accountancy firm (i.e. supplier) and the influence on the

	customers, 2 small firm business accountants-advisors, divided into 2 focus groups of 5 and 4 persons each	landscape)		relationship between customers and supplier
		Assessing if and how the quality of the service delivery could be improved through the service encounter/interaction platform	Service quality	- service provision, its uniqueness and the fit between the provided services and customer needs
		Assessing if customers are engaged in co-creation and how the quality of the co-creation process could be improved	Co-creation engagement & performance	- activities that constitute the collaborative value creation process - process of diagnosing and understanding customer needs - roles of customer and supplier - resources that customer and supplier contribute to value creation - process of managing expectations between customer-supplier - the process of implementing accounting services
		Assessing the added value of the service provision from the customer perspective, to realize a fit between the customer profile (i.e. customer perspective) and the value map (i.e. supplier perspective)	Value proposition	- completing the value proposition canvas by combining and integrating findings and insights which are related to the business environment, service quality and co-creation engagement & performance

3.4 The research process

Subsequently, after clearly describing the operationalization, this section will elaborate on the research process. The research process proceeds in two major phases. The first round of data collection, which include five face-to-face interviews, is enacted to investigate the interaction between supplier and customers within a knowledge intensive business services (KIBS) industry (i.e. accounting services industry). More specifically it concerns the study of value creation between a small medium-sized accountancy firm and their customers, within the healthcare sector. By mapping out this value creation system from a firm's perspective, potential elements which could be improved can be identified with the purpose to increase customer value. Ultimately, combining the insights out of the interviews conducted with five key account managers and branch managers from a small medium-sized accountancy firm, should clearly reflect the supplier perspective towards value creation. The interviews are structured as a list of questions, which can be considered as a set of open-ended questions and discussion themes. This set of open-ended questions and discussion themes, provide interviewees the opportunity to raise matters that were not specifically queried (Aarikka-Stenroos & Jaakkola, 2012). It refers to the notion of semi-structured interviews, which provide the formality to

analyze complex phenomena, and enable the emergence of unexpected issues (Aarikka-Stenroos & Jaakkola, 2012). The interviews last around one hour and fifteen minutes each, and are audio-recorded and transcribed. Although, the interview transcripts are not attached, these comprise together with Appendix 1, Dataset 1. Dataset 1 should act as a complementary source to Dataset 2, by acting as a source of citations and short descriptions used for illustrating the reported findings.

In the second phase of the research process, a round table discussion is organized with a group of seven customers. These customers, as well as two small firm business accountants-advisors, are divided into two different focus groups. Every focus group involved a focus group moderator or facilitator and are settled in two different conference rooms, located in a small medium-sized accountancy firm. The planned length of the focus group sessions last around two hours, as is indicated in Appendix 2. These sessions are audio-recorded, as well as video-recorded and subsequently transcribed. Just as with the interview transcripts, the focus group transcripts are not attached, but comprise together with Appendix 2, 4a and 4b, Dataset 2.

From a constructivism lens of choice in informing and guiding inquiry, focus group data has the potential to inform us about the co-construction of realities between people, the dynamic negotiation of meaning in context (Wilkinson, 1998). Within this research, the notion of co-construction is not only related to focus group data, but also integrated within the focus group method by creating some kind of workshop setting. To illustrate, small firm business accountants-advisors and customers will discuss the important issues with regard to value (co-)creation, followed by jointly completing the value proposition canvas and by means of this both parties will be able to develop reciprocal customer value propositions. While the focus group technique is present, the goal is not purely interviewing. To successfully conduct focus groups, researchers could employ different questioning strategies and approaches to moderating focus group sessions. Bryman and Bell (2011) indicate that most seem to lie somewhere between the rather open-ended approach employed by Cunha and Cunha (2004) and the somewhat more structured one used by Blackburn and Stokes (2000). Various factors, such as the nature of the research topic, levels of interest and/or knowledge among participants in the research, will affect the style of questioning and moderating (Bryman & Bell, 2011). Therefore, no best way of questioning strategies and approaches to moderating focus group sessions exists (Bryman & Bell, 2011).

By taking into account the various factors which will affect the style of questioning and moderating within this study, a focus group protocol design is developed (see Appendix 2). Harrell and Bradley (2009) emphasized that as with interviews, focus group protocols are extremely important, to ensure consistency across multiple moderators, in prioritizing research questions, and in allocating group discussion time across topic areas. Moreover, discretion is needed with regard to the types of questions asked during focus groups (Harrell & Bradley, 2009). While structural questions will allow for lists of things, descriptive questions will allow for a greater understanding of a matter (Harrell & Bradley, 2009). Furthermore, simple yes-no questions should be avoided, because these kind of questions provide little information. The purpose of the focus group is to engage all participants and ask questions that emphasize the participants' knowledge about a topic (Harrell & Bradley, 2009). Therefore, the focus group protocol consists of probes, which are not only used for interviewing but also appropriate to use during a focus group (Harrell & Bradley, 2009). According to Harrell and Bradley (2009), probes which are specifically related to focus groups can steer conversation to topics, take control away from a dominant person, draw out some of the quieter participants and encourage dynamic conversation. Facilitating and encouraging a dynamic conversation is of central importance in the light of this study.

The sampling decisions, concerning who should be included in this qualitative study and the reason why, are broadly related to three approaches. These three approaches, which can be used to select a sample for a qualitative study include, convenience sample, judgement sample (i.e. purposeful sample) and theoretical sample (Marshall, 1996). The process of sampling refers to both quantitative methods of sampling as qualitative methods of sampling (Marshall, 1996). With regard to the qualitative field of research, sampling procedures are not so rigidly prescribed as in quantitative field of research (Coyne, 1997). Referring to the two major phases of the research process, they involve different methods of data collection (qualitative), each of which take a different (and combined) perspective towards value creation and the dialectical process of developing reciprocal customer value propositions, and require different sampling strategies.

The first phase involved the use of face-to-face interviews, which has defined sample selection criteria. A sample of five key account managers and branch managers, within the accounting profession, were chosen. Since the total population of possible key account managers and branch managers is small, this was inevitably a convenience sample (Marshall, 1996). According to Marshall (1996), a convenience sample is the least rigorous technique, involving the selection of the most accessible subjects. Although the sample can be considered as a convenience sample, there were some elements of a judgement approach, since efforts were made to ensure that the key account managers and branch managers represented a range of different sectors, including Healthcare, Industry and Technique, Horeca and Retail, Construction and IT and Innovation (Marshall, 1996). Moreover, these managers intensively communicate with customers on a daily basis, through which they develop relationships with customers, understand (customer) value creation and get a comprehensive picture of their sector, including future developments and trends. This judgement approach, also known as purposeful sample, is taken to actively select the most productive sample to answer the research question (Marshall, 1996).

The second phase of the research process brought small firm business accountants-advisors and customers, together in focus groups to collect the different level of data produced by personal interaction (Marshall, 1996). Different considerations should be taken into account when determining the sampling and composition of focus groups (Harrell & Bradley, 2009; Bryman & Bell, 2011). Morgan (1996) mentions the term “segmentation” to capture sampling strategies that consciously vary the composition of groups. The use of segmentation to create focus groups offers two basis advantages (Morgan, 1996). First, it involves a comparative dimension, which will be built into the complete research project, including the data analysis. Second, by making use of segmentation participants will be more similar to each other, which will facilitate discussions. However, there is also one obvious disadvantage of segmentation, which refers to the fact that it can greatly multiply the number of groups (Morgan, 1996). According to Morgan (1996), by running just one focus group per segment, you learn something about that segment, which is confounded with the group dynamics of that unique set of participants. However, as is indicated by Morgan (1996, p. 144): *“Using multiple segmentation criteria can create acceptable designs that have only one group ‘per cell’ in the overall design, as long as there are multiple groups in each separate segment”*.

With regard to the sample used in the second phase of the research process, it can be considered as a purposeful sample, though it involves some elements of a convenience sample. Coyne (1997, p. 624) described purposeful sampling as follows: *“The logic and power of purposeful sampling lies in selecting information-rich cases for study in-depth. Information-rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the research, thus the term purposeful sampling”*. Purposeful sampling involves a strategic way of sampling cases

(participants), to make sure that those sampled are relevant to the research questions being posed, whereas a convenience sample is simply available by chance (Bryman & Bell, 2011). Given the nature of qualitative inquiry, it typically focuses in depth on relatively small samples, even singles cases, selected purposefully (Coyne, 1997). While 'purposeful sampling' is a broad defined term, this research acknowledges different types of sampling in qualitative research, which may be encompassed under the broad term of 'purposeful sampling'. However, after reviewing the work of Suri (2011) and his inclusion of the 16 purposeful sampling strategies described by Patton (1990), it can be concluded that none of the purposeful sampling strategies could be properly employed to guide this second phase of the research process and the sampling decisions associated with it.

In this research, participants come from a variety of occupational groupings (small medium-sized firms) within the healthcare sector, including general practitioners, physiotherapists and directors of varied welfare organizations. These participants are selected by the key account managers of a small medium-sized accountancy firm, which indicate certain restrictions being placed on the researcher. The reason for this is, their network of relationship with customers. These relationships develop over time, based on mutual trust and the willingness to understand customer value and value co-creation. Besides, as a result of allowing key account managers to select participants, based on some predetermined criteria, it is ensured that the participants will find the topic relevant and represent specific occupational groupings that have an interest in the topic concerned. Moreover, given the fact that the number of potential participants is small and demands on their time is heavy, a material incentive is used (Twohig & Putnam, 2002). The so called 'Ondernemerskompas', is a questionnaire which can be completed by customers of the small and medium-sized accountancy firm. It gives an indication of the point of interests related to the business of customers and the area's which require further measures. Referring to the use of segmentation to create focus groups, different segmentation criteria are required. These segmentation criteria represent the characteristics on which the analysis will be established and serve as predetermined criteria on which the participants will be selected. The different segmentation criteria refer to 'occupational groupings' (i.e. general practitioner, physiotherapists and directors of varied welfare organizations) 'the type of customer' (i.e. existing or potential) and 'future benefits for a small medium-sized accountancy firm' (i.e. in terms of the potential for providing a broad range of accounting services (audit and non-audit services)). The ultimate goal is to select a total sample of seven customers from a variety of occupational groupings, which comprises a mix of existing and potential customers, a mix of customers who (will) demand only audit services or non-audit services or customers who (will) demand audit services as well as non-audit services. This sample of seven customers will be divided into two focus groups of four to three persons each, including one small firm business accountant-advisor per group.

Given the restrictions being placed on the researcher, concerning the selection of participants and taking into account the purpose of this study and the data analysis, the use of segmentation within this study does not involve a well-founded comparative dimension. To explain, one focus group represents one specific occupational grouping (i.e. three directors of varied welfare organizations) and another focus group represents a mix of a general practitioner and three physiotherapists, which are selected by the key account managers. Twohig and Putnam (2002) indicate that underlying much of the research relating to the use of focus groups is an implicit understanding that membership in a professional community, either singular or broader, is a sufficient proxy for compatibility. However, to establish a group's compatibility, professional credentials alone are not sufficient, but it is required to get a comprehensive understanding and reporting upon, how participants interact with one another during a focus group (Twohig & Putnam, 2002). In the light of this study, due to practical restrictions

one focus group represents a specific occupational grouping and another focus group involves a mix of participants based on their occupation. Referring to the issue of group homogeneity, by incorporating professionals from one specific kind of sector this research will realize some kind of group homogeneity.

Within every focus group a mix of existing and potential customers will be facilitated, as well as a mix of customers who (will) demand only audit services or non-audit services or customers who (will) demand audit services and non-audit services. While the latter two criteria refer to different segmentation criteria and predetermined criteria on which the participants will be selected, they will not represent each a separate segment (i.e. focus group), but will represent the characteristics of the participants. Although this research acknowledges the existing and potential similarities and differences between the participants and their organizations (e.g. challenges they face), by making use of these two focus groups, a small medium-sized accountancy firm should get a thorough understanding of the value creation system and the dialectical process of developing reciprocal customer value propositions, within the healthcare sector.

Because of the critical role of the moderator in taking the lead in the conduct of focus groups and ultimately the success of a session's flow, it is important to discern both who moderated the session and the role that person played and what's the role of the researcher in the conduct of focus groups (Twohig & Putnam, 2002). While this research involves two focus groups in a round table setting, two persons are required who could fulfill the role of moderator. One focus group was managed by a small-firm advisor, who is partner as well as the manager of the advisory department and the other focus group was managed by the HR manager. Both persons are from the same small medium-sized accountancy firm and possess the necessary set of skills and competences to successfully facilitate a focus group session. Reflecting on the researcher's role, it refers to the role as observer concerning the progress of one focus group. It is essential to be aware of the fact that one moderator share more or less the same professional background as the two small firm business accountants-advisors, who are both divided into the two focus groups. If this is left unchecked, Twohig and Putnam (2002) emphasized that many of the assumptions, beliefs and practices could go unsaid, leaving the researcher with a much less explicit and robust transcript. For the purpose of this research and to facilitate well-organized focus group sessions, it is stated and agreed upon that the moderators will not interfere with the content of the discussions. The moderator should not slip into the role of teacher, but has to create an atmosphere where information could be discovered and not be imparted (Twohig & Putnam, 2002).

4. Data analysis

After extensively describing the methodology underlying this research, including the process of data collection, this section is concerned with translating the process of data collection to rich data analysis. According to Harrell and Bradley (2009), when conducting qualitative data analysis there are two basic approaches to analyzing data, which can be distinguished. Although, these approaches are different from each other it is possible to include both approaches with regard to the analysis (Thomas, 2006; Harrell & Bradley, 2009). To provide a clear understanding of the two approaches and their differences, this research adopts the explanation incorporated in the research of Thomas (2006, p. 238): *"Inductive analysis refers to approaches that primarily use detailed readings of raw data to derive concepts, themes, or model through interpretations made from the raw data by an evaluator or researcher. Deductive analysis refers to data analyses that set out to test whether data are consistent with prior assumptions, theories, or hypotheses identified or constructed by an investigator"*. This

understanding of inductive and deductive analysis is consistent with the description of Harrell and Bradley (2009, p. 100): *"Inductive analysis explores the data, to assess what unexpected relationships or issues emerge from the data. Deductive analysis confirms information for the researcher"*.

Referring to the two phases of the research process preliminary described, the phases involve different methods (qualitative) of data collection, each of which take a different (and combined) perspective towards value creation and the dialectical process of developing reciprocal customer value propositions. Given this dyadic perspective towards value creation and the development of reciprocal customer value propositions and the use of different methods of data collection, a combined technique of inductive and deductive thematic analysis is used. While the first phase involves face-to-face interviews and relates to the deductive approach, the second phase involves focus group interviewing and relates to the data-driven inductive approach. The face-to-face interviews were structured by incorporating the work of Aarikka-Stenroos and Jaakkola (2012), on the basis of which an a priori code manual was developed (see **Figure 3: Code manual for the supplier perspective towards value creation**). Considering the nature and conduct of focus group interviewing in this study, it is allowed for themes to emerge direct form the data using inductive coding (see **Figure 4: Code manual for the combined perspective of customer and supplier towards the development of reciprocal customer value propositions**). The use of inductive coding relates to the following conditions. First, the focus group interviews are less structured than the face-to-face interviews. Less structured in the sense that the focus group interviews are facilitated by two moderators, not by the researcher and the interviews can be structured in varied ways based on the focus group protocol applied. By for example, making use of certain probes or not. Second, focus group interviews capitalize on group interaction to gain data and insights that would otherwise be less attainable (Brotherson, 1994). These conditions in combination with the risk associated with deductive analysis and the primary purpose of the data-driven inductive approach, as described by Thomas (2006), validate the approach taken.

The qualitative research methods incorporated within this study, in particular focus group interviewing, generate large amounts of data. Therefore, a central aim of data analysis is to reduce data (Rabiee, 2004). Besides, Thomas (2006) refers to three broad tasks for qualitative data analysis: data reduction, data display, and conclusion drawing or verification. As is emphasized by Rabiee (2004), the process of qualitative analysis aims to bring meaning to a situation rather than the search for truth focused on by quantitative research. However, regardless of the type of research (qualitative or quantitative) it is important to bear in mind and acknowledge that an extent of subjectivity exists (Rabiee, 2004). Rabiee (2004, p. 657) stated: *"The distinction should be seen more in relation to the stage of the process rather than just the type of subjectivity"*. In order to minimize the potential bias associated with analyzing and interpreting focus group data the analysis should be systematic, sequential, verifiable and continuous (Rabiee, 2004). By means of structuring the analysis in such a way, this will provide a trail of evidence, as well as increasing the extent of dependability, consistency and conformability of the data, which are important issues for assessing the quality of qualitative data (Rabiee, 2004).

As is identified by various researchers, there are a number of approaches to the analysis of qualitative data (Brotherson, 1994, Rabiee, 2004; Thomas, 2006; Onwuegbuzie, Dickinson, Leech & Zorgan, 2009). Most researchers use a combination of different approaches (Rabiee, 2004). Rabiee (2004) incorporated and described the Krueger's (1994) framework analysis and also some key stages of 'framework analysis' described by Ritchie & Spencer (1994). Referring to the notion that the analysis should be systematic, sequential, verifiable and continuous, the advantage of the Krueger (1994) approach is that it provides a clear series of steps, which could help to manage the large amount and

complex nature of qualitative data much more easily. Moreover, Rabiee (2004) emphasizes that 'framework analysis' is used both for individual and focus group interviews. Therefore, this 'framework analysis' is perfectly suitable to the research process, including the research methods and the basic approaches to analyzing data, as described within this research.

Although this research applies the 'framework analysis' for both individual and focus group interviews and the respective qualitative data, it acknowledges the vital distinction between focus group interviews and other individual interviews, which is that the former interview format involves group discussions whereas the latter format does not (Onwuegbuzie et al., 2009). It is of critical importance to address the interactive nature of focus group data and attend to the impact of the group setting, to completely and appropriately analyze the data (Onwuegbuzie et al., 2009). According to Onwuegbuzie et al. (2009), despite the aforementioned distinction, much of the research studies based on focus group data extract themes stemming from the members' viewpoints, but do not analyze interactions among the participants and between the participants and the moderator.

The 'framework analysis' as described by Ritchie and Spencer (1994), is intended to clarify the data reduction process by describing a number of distinct though highly interconnected stages for creating meaning in complex data through the development of summary themes or categories from the raw data. These highly interconnected stages refer to: familiarization; identifying a thematic framework; indexing; charting; mapping and interpretation. Although the 'framework analysis' uses a thematic approach, Rabiee (2004) states that it allows themes to develop from the research questions as well as from the narratives of research participants. Something which refers to the combined technique of inductive and deductive thematic analysis. The application of a systematic framework serves as a way to distinguish meaningful units, isolate them, and place them together again with conceptual connections or categories (Brotherson, 1994). The systematic framework for qualitative data could be developed on the basis of four sources: *"(a) the research questions and subquestions, (b) initial framework from the protocol questions for organizing by question or area, (c) concept or categories suggested by other researchers or related studies, and (d) the actual data"* (Brotherson, 1994, p. 114). For the purpose of this research, a systematic framework is developed by combining sources b, c and d.

Reflecting on the process of data analysis, Rabiee (2004) points out that the process begins during data collection. This first stage is comprised of skillfully facilitating the discussion and generating rich data from the interviews, complementing them with the observational notes and typing the recorded information (Rabiee, 2004). Subsequently, it is very important to become familiarized with the data, by means of listening to audiotapes and if applicable analyzing videotapes, reading the transcripts in their entirety several times and reading the observational notes taken during the interviews and potential summary notes written immediately after the interviews (Rabiee, 2004). The aim of becoming familiarized with the data, as described by Rabiee (2004), is to immerse in the details and get a sense of the interviews as a whole before breaking it into different parts. In the course of this process some major themes begin to emerge (Rabiee, 2004).

The next stage involves identifying a thematic framework, which differ for the two phases of the research process as described earlier. This stage takes an integrated approach to developing code structure (Bradley, Curry, & Devers, 2007). Regarding the face-to-face interviews, it holds that categories are developed a priori, based on related studies and they are not arising from the interview transcripts (i.e. deductive). The basic idea, with regard to the conduct of focus group interviews, is to write down short phrases, ideas or concepts arising from the focus group transcripts and related studies (i.e. inductive). By doing so, categories will start to develop, which are consistent with the initial

framework from the protocol questions for organizing by question or area (Brotherson, 1994; Rabiee, 2004). For both the deductive approach to coding as well as the inductive approach to coding holds that different code types and applications can be identified, as emphasized by Bradley et al. (2007). Both, the deductive approach taken towards analyzing face-to-face interviews and the inductive approach taken towards analyzing focus group interviews, involves mainly conceptual codes/subcodes and relationship codes with a focus on generating themes. As is indicated by Rabiee (2004), at this stage descriptive statements are formed and an analysis is carried out on the data under the questioning route.

The final stage refers to managing the data, which includes indexing and charting as stated by Rabiee (2004). This stage involves highlighting and sorting out quotes and making comparisons both within and between the face-to-face interviews and within and between the focus group interviews, after which quotes will be lifted from their original context and re-arranged under the newly developed appropriate thematic content (Rabiee, 2004).

Though the data analysis stage in this study is presented as a linear process, consisting of highly interconnected stages, the research analysis was an iterative process.

4.1 Qualitative results regarding the supplier perspective towards value creation

Looking at the interviews that are conducted with key account managers and branch managers of a small medium-sized accountancy firm, several patterns can be observed. The questions in the face-to-face interviews are subdivided into different categories and subcategories, based on the work of Aarikka-Stenroos and Jaakkola (2012) and Leemreize (2015). In the next paragraphs each category and subcategory will be discussed, which will illustrate the supplier perspective towards value creation.

4.1.1a. Key market developments

Referring to the work of Admiraal & van IJzendoorn (2013), they stressed that key trends which are affecting SMEs, such as sustainability and digitization, will insurmountable change the services that will be offered by small medium-sized accountancy firms. Findings out of the face-to-face interviews indicate that some key market developments will radically change the way the small medium-sized accountancy firm conducts its business now and in the near future. Key account managers and branch managers emphasizes the impact of robotics, digitization and automation on their business and the business of customers. The complete process of administrative services which are offered to customers, by the small medium-sized accountancy firm or which customers conduct in-house, becomes faster. The following citation illustrates an example:

“A tendency is for example, the declaration which is completed upfront, income declaration I will call it for the moment.” (Key account manager/Branch manager, IT & Innovation)

These key market developments are related to the transition, in which small medium-sized accountancy firms are striving to become more advisory oriented. This transition will have its impact on the current and future service provision, as a key account manager/branch manager describes:

“I think that especially for the chapter ‘accounting’ holds that there is only future potential if it will be a completely lubricated machine and an efficient process. And then you could still earn some money with it.” (Key account manager/Branch manager, Horeca & Retail)

Moreover, next to the trends described above, within the accountancy sector there is a

tendency towards product segmentation and branch segmentation. In the case of the branch 'IT & Innovation' the following holds:

"One of my clients who's is active in the ICT-business, will prefer an accountant with thirty ICT-clients in his customer base than coincidentally three of them." (Key account manager/Branch manager, IT & Innovation)

This is the reason for the small medium-sized accountancy firm to observe and monitor the market and see 'what is happening within that market': branch segmentation and product segmentation and see what could be the contribution of the firm within that part.

Furthermore, besides the key market developments which are related to small medium-sized accountancy firms and some SME's in general, there are some developments which are related to the different branches (i.e. every interviewee represents one branch). However, because of the diversity and breadth of the developments, these developments will not be mentioned.

4.1.1b. Role of the accountant-advisor

The data indicate that the role of the accountant will change and the accountant will act more like an advisor, which is in line with the transition in which the small medium-sized accountancy is striving to become more advisory oriented. Referring to the key market developments, these developments will have an impact on the accounting practitioners and the skills which will be required by the accountant of the 21st century. The interviewed key accountant managers and branch managers' comments suggest that the accountant as employee will transform into a different type of employee. Somebody who will monitor important developments, is sufficiently grounded in the accounting profession and has the persuasion to distinguish itself by means of branch specialization. And that will become more data analysts instead of purely accounting professionals. Because of this transformation, the small medium-sized accountancy firm will recruit different staff members with a variety of backgrounds (such as public administration and business administration), who have the potential to fulfill different functions like a HR consultant or a Management consultant and to a less extent the role of an accountant. Next to recruiting different staff members, for the current workforce holds that they have to develop a new set of skills. However, not every person has the capability and development potential to act more like an advisor. For example, with regard to the role of a key account manager, a key account manager described:

"Soon, the key account managers are expected to be a certain percentage active externally, out of office. And that is a tough thing for us, also for me. Something related to the human kind makes that people feel 'you have to be productive'. However, if you are not externally oriented at all, nothing will happen." (Key account manager/Branch manager, Industry & Technique)

According to Howieson (2003), to create value for and with customers, small medium-sized accountancy firms need to become more multidisciplinary and have to compete with other existing and emerging advisor professionals. Kestens (2008) stated, with an increasing focus on knowledge, in the future, accountants are in a favourable position to take advantage of this opportunity. However, just becoming more multidisciplinary and have a lot of knowledge is not sufficient. The following citation refers to what is of great importance:

“Being an accountant means you are very ‘broad’, you have some knowledge of everything. But, if you want to be of added value for a customer you have to understand his world.” (Key account manager/Branch manager, Industry & Technique)

Furthermore, it is possible to specifically describe the (potential) role of the accountant for every branch separately. However, the interviewed suppliers’ comments suggest that this role is roughly applicable to the varied branches. When talking about the role of the accountant and branch segmentation, the accountant will never become an expert, because as an accountant you will never act like an entrepreneur who’s continuously busy with that specific kind of branch. Though, it is very important to know ‘what are the most important trends’, ‘what are the developments going on’, ‘what are some key insights from the benchmark’. Several key account managers/branch managers noted how the accountant could support its customer to be successful in conducting their business. One statement that is frequently mentioned is *‘to unburden the customer regarding financial and management information and advisory services’*. Moreover, if the accountant is able to get input from a branch, this will provide the accountant with additional signalling functions. In this way the performance of the customer can be more closely monitored with help of a benchmark. Furthermore, in the light of branch segmentation, if the customer base is more homogeneous, the accountant could make use of ‘best practices’ within a specific branch. An entrepreneur who is performing well in the eyes of the accountant, who is well informed about key market developments, will deliver the knowledge the accountant could integrate within his advice towards other entrepreneurs. Finally, one of the key account managers/branch managers mentioned that he is sometimes in a dialogue with non-customers and always asks the question: ‘Are you satisfied with your current accountant, what is your experience or what are you missing’. The following citation illustrates the answers he received:

“Actually you see two things and that is: 1). They want to have an entrepreneur on their side. 2). And a sounding-board. Which means that if customers have problems, or they want to reflect on things such as ‘this is what stagnates me, how would you approach it’. So, just a sort of walking encyclopaedia.” (Key account manager/Branch manager, Industry & Technique)

4.1.1c. Customer segment(s)

According to Kowalkowski (2011), customers should not be segmented only on the basis of current and potential relationship proximity, but also on the customers’ current and potential role in the value creation process. The data reveals that the practice of customer segmentation is not uniformly applied. Customers are segmented based on the branch segmentation: Industry & Technique, Healthcare, IT & Innovation, Horeca & Retail and Construction. This segmentation approach provides advantages in the light of specialism and service provision. However, what about the difference between existing and new customers, customers’ current and potential role in the value creation process, the size and turnover of different customers. Within this branch segmentation there is some sort of internally applied segmentation scheme, to reach for an accurate focus in the customer approach. However, its application is optional and based on the own perception of a key account manager:

“Instead of segmenting customers as A-customer, B-customer, C-customer, maybe you have to formulate it differently. So, ‘which customers have a fit with us as small medium-sized accountancy firm, in whom we want to put in extra effort, time and money and what are the expected benefits for

both parties'. And 'which customers cost a lot of effort, have a high risk-profile and ultimately leads to a low return' and perhaps another segment composed of 'customers with whom we are not so happy at all'." (Key account manager/Branch manager, Horeca & Retail)

As is stressed by Anderson and Narus (1995), a relative handful of companies are beginning to recognize that they can reduce the cost of providing services and use services more effectively to meet customer's requirements, get more of their business, and enhance profits. Anderson and Narus (1995, p. 76) stated: *"Managers should analyze their services and decide which must be offered as standard and which can be offered as options"*. Furthermore, *"Managers should try to limit their standard packages to those services that are highly valued by all customers in a segment"*. Of central importance is the link between customer segmentation and service provision, as a key account manager described:

"Segmenting customers as A-B-C, that is mainly an internal matter, to treat them according to their needs. We have customers who are demanding only advisory services, instead of a financial statement or other statutory accounting services. These customers should also be approached in that way. And how will you accomplish this? To connect the right person, the right advisor in a good mix. And there are customers who buy a mix of services, that is something which occurs and is fine, but they have to be approached and treated in the right way." (Key account manager/Branch manager, IT & Innovation)

4.1.1d. Uniqueness

The majority of the key account managers and branch managers recognizes that small medium-sized accountancy firms are directed to become more multidisciplinary and must compete with other existing and emerging advisory professionals. However, key to this is in what way do small medium-sized accountancy firms differentiate themselves to create value for and with their customers. It is important to realize that ultimately the uniqueness of the organization is determined by its customers. Out of the data the following differentiators can be identified: branch specialization; customer segmentation; informal, personal approach; diversity of the workforce; flexibility and breadth of the service provision; and the role of innovation. With regard to the extent of profiling its uniqueness externally, the role of social media and the organization of branch seminars with diverse parties, like banks, are of central importance. However, in general there is still room for further improvement of the role of Marketing within small medium-sized accountancy firms. By professionalizing the communication policy and the role of Marketing, branch specialization is not only an internal matter, but also externally through which customers can appoint accountants-advisors as being real specialists:

"If you ask me where is room for further improvement, than I would say the external profiling of 'who we are' and 'in what we are specialized'. There is room for further improvement. I think we can still do much better. In my opinion we could professionalize our external communication policy. You perceive that reaching this phase is required. That also externally we will be called specialists. We have to get on with it." (Branch manager 2, Healthcare)

4.1.1e. Competitors and strategic positioning

The interviewed key account managers'/branch managers' suggest that they have a clear view of their current strategic positioning and the desired strategic positioning. Admiraal and IJendoorn (2013) emphasize that to strive for this desired strategic positioning, organizations need to identify measures to realize this state. Though its importance, this identification was outside the scope of this

research. The following citations illustrate a description of the desired strategic positioning:

“That we could differentiate ourselves from our colleagues (competitors) and deliver more added value to those specific entrepreneurs within their branch, than with the statutory accounting services as we did in the past.” (Key account manager/Branch manager, Horeca & Retail)

“I think that our small medium-sized accountancy firm is a sophisticated and innovative accountancy firm, in the region of Twente, and has the potential to growth even more by especially continuing along the chosen path.” (Key account manager/Branch manager, Horeca & Retail)

If we look to the group of competitors, this group can be roughly divided into three groups: accountancy firms (nationwide, regional and local), service providers (such as advisors, coaches) and non-accountancy firms (unknown, for example accounting software providers). For a small medium-sized accountancy firm, operating mostly regional, it is very important to identify the opportunities and challenges that may arise in the external environment. With regard to opportunities, think of customers which are relatively too small for the segment of the accountancy firms which are operating nationwide. By switching to a regional player, there is a possibility that these customers experience the difference between being one of many or being treated as important, a key customer. For example, this can be realized by easily linking different disciplines, being accessible as an organization, friendly approachable by telephone or via e-mail and have a fast response time. Referring to the accessibility of an organization, the following citation illustrates this:

“A customer for whom I completed an audit engagement, provided feedback to me: ‘within this organization at least we meet the partner, while within that organization the partner will only sign and he did not pass by at all. We think you have to take your responsibility and also stay in contact with your customers.’ (Branch manager, Construction)

However, identifying opportunities and differentiating yourselves as a small medium-sized accountancy firm from other accountancy firms (i.e. nationwide, regional, local) is not sufficient. Varied service providers and non-accountancy firms are entering the accountancy landscape, as is illustrated by the following citations:

“We do roughly all the same and we add a personal slogan, we choose for branch segmentation, we choose some tools, of course skilled people, but in the end we deliver more or less the same business. It is all about the way how you sell it and if you have enough ambassadors and satisfied customers. Parties which will offer something completely new are in my opinion competitors. There are parties which are offering an online/a digital platform for accounting/financial administration, but the customer need for an accountant-advisor is unconditional. And this need will exist, nevertheless other parties could enter the market which will purely focus on that in the long term. I notice that the combination of IT, product knowledge and branch knowledge, is becoming more important.” (Key account manager/Branch manager, IT & Innovation)

“You see more and more consultancy firms of many kinds, coaches and mentors emerging and actually we have still a lot of ground to cover, that we in fact could respond on every level.” (Key account manager/Branch manager, Horeca & Retail)

Within the accountancy sector, firms make use of a trust model. On its own, knowledge about products, services, market is not worth much. However, in combination with a personal approach it is worth much more. This personal approach is key to the provision of advisory services, as described by a key account manager/branch manager:

"It is a well-considered choice of us to do not act as an IT-firm, by saying 'customer deliver everything digital, we process and you will receive a report by mail' and that is how it works. In such a way we do not want to operate. Since, personal contact (i.e. advice) has to be involved. Moreover, one of our customers chose a program y/service provider y, and asked us as a small medium-sized accountancy firm 'we have program y/service provider y only for the processing part, but we want advise. Could you provide that and if so, explain why'. So, in here you see already a division." (Key account manager/branch manager, IT & Innovation)

4.1.2f. Development of new services

When asked about the development of new services, the majority of the key account manager/branch managers emphasized that the development of new services is firm-initiated or sometimes initiated by the trade organization as well as customer-initiated.

To stay ahead of competitors, it is required to develop new services. By realizing this and work in branch teams, the small medium-sized accountancy firm is better informed about the developments within that branch. Through which employees become more innovative and because of this new services are invented and added to the service provision (i.e. firm initiated). With regard to laws and regulations in the accountancy sector, it holds that if tax laws and regulations will change for a specific branch, there is instantly the possibility to fulfil a need (i.e. firm-initiated). The following citations illustrate the development of new services initiated by the small medium-sized accountancy firm:

"Yes, individual employees will also deliver new ideas. But also the personnel, if I may continue, is consciously stimulated, the organization is stimulating. And how is this revealed? The performance evaluation conversations every year, but also the awareness of the personnel that something has to change within the accountancy sector, renewal. The production of the 'book', pretend that in three years it does not exist anymore, 'what are you going to do then'. That kind of questions assigning to the organization, maybe you saw it in the canteen: current themes laminated on the tables and on the wall. In order to trigger people to think about 'why am I indispensable for my customer'." (Key account manager/Branch manager, IT & Innovation)

"Sometimes it is said 'just try it'. This is in line with our slogan: 'take chances', which has its effect both externally as well as internally. Last year, I also try out some things with respect to a customer and said 'at this moment we are developing some things, I will use you for only a short time as a guinea pig'. If you have a strong relationship, then you have the possibility to try out some things with help of certain customers." (Key account manager/Branch manager, Industry & Technique)

Although, the development of new services can be firm-initiated by making use of different sources of information and various types of knowledge, without facilitating dialogue with customers you do not know if the new services will fulfill the expectations of customers. Some of the interviewed key account managers/branch managers emphasized that next to being proactive (i.e. firm-initiated), small medium-sized accountancy firms can act reactive (i.e. customer-initiated). Data revealed that

when customers seek external assistance from a small-firm business accountant, they will act more like a small-firm business advisor:

“Sometimes customers are facing challenges and ask us to ‘think along’. On the other hand, now and then also with external parties. Look, as a small medium-sized accountancy firm ‘we want to scale our service provision as much as possible’. If this means, a specialized party has to join, then that organization will join. As an accountant you could also say ‘we do it ourselves, that turnover is ours’ or do you say ‘what is of added value to the customer’. If this means a specialized party, then that organization will join.” (Key account manager/Branch manager, Industry & Technique)

“For us as small medium-sized accountancy firm the starting point is the customer, by understanding how the customer can be better served, then we are doing now. Traditionally, the small medium-sized accountancy firm is mainly focused on the products/services like, the financial statements, tax statements, the monitoring of this. We try to scale our service provision to better serve the customer, also on the soft components for example. This requires a different approach and how could you identify what are the areas of interest at all, for this probably tools like the ‘Ondernemerskompas’ can be used. Such that you have other insights and opportunities which you can discuss with your customer. Then off course the customer has to decide ‘how important is it’ and ‘how responsive am I for this’ and are the same questions arising for the customer and does the customer want also more transparency about ‘in which direction I have to go’. Mostly the answers are not there yet, but the areas of interests are mapped. And that is the possible benefit.” (Branch manager, Construction)

The majority of the key account manager/branch managers indicate two general examples of newly developed services, namely providing business advisory services to customers and organizing branch seminars for and with customers. Besides, there are some other tools and templates which are developed. The interesting thing is that these tools are primarily IT-like tools, which is consistent with the trends of digitization and automation. Furthermore, referring to the concept of relationship marketing, it addresses the use of all customer information which is present, offer qualitative services to customers and by doing this continuously improve the relationship with every key customer (Wester, 2013). On the basis of this information about customers, the small medium-sized accountancy firm could improve (i.e. exploit) their statutory accounting services (i.e. audit services) and develop (i.e. explore) their business advisory services (i.e. non-audit services). In accordance with the work of Wester (2013), two key account manager/branch managers emphasized the following:

“In fact, of central importance is that we could translate real-time records to financial management information. And we could applicate an accurate benchmark, because we collect varied data with help of our trade organization and our con-colleagues.” (Branch manager 2, Healthcare)

“And actually the next step we want to develop is, to collect non-financial data out of the package with declarations from the customer. For example, ‘what is the structure of their customer base’, ‘who visit customers most often’, ‘concerning which age group’, ‘what is the level of declaration’.” (Key account manager/Branch manager 1, Healthcare)

One last interesting remark with regard to the development of new services is the importance of pace in developing services instead of the quantity in developing services. As Snoei (2011) pointed

out, 'standing next to the customer' to increase customer satisfaction will not mean in advance that accountants need to provide more advisory services. Moreover, as is emphasized by Anderson and Narus (1995), instead of tailoring their packages of services to customers' individual needs in order to win, retain, or increase the amount of their business, many suppliers simply add layer upon layer of services to their offerings. Consequently, more services are provided to customers than they want or need at prices that often reflect neither the value of those services to customers nor the cost of providing them (Anderson & Narus, 1995). The following citation illustrates these findings:

"The customer does not know anything and has restricted information, but has many questions. You recognize this through the questions being asked: 'what about this, what about that'. In fact, we provide information from the accountancy sector as well as the IT sector, information from which they do not even know this information is available. I expect that there will lie opportunities for us, but at the same time our threats. Our threat is related to the fact that we think we have to provide lots of information, while the customer has now a '2' when we have numbers from 1 till 10 and if this number will go to '7', increases with '5' points. I think the pace in developing services is more important than the '9' or '10' we would like to score. Actually, we could provide the tools and levers to customers from which they do not even know that these exist." (Branch manager 2, Healthcare)

4.1.2g. Most important services

The majority of the key account manager/branch manager indicate that within the context of the small medium-sized accountancy firm, the statutory accounting services are (still) the most important services. Most important in terms of the percentage of the total turnover. Referring to the range of services, it includes financial statements, tax-related work and administrative personnel-related services. However, considering the business advisory services, which is more on a tactical and strategic level, this range of services is in the development phase and its share as percentage of the total turnover increases at a fast pace. Some examples of business advisory services are, real-time management information, benchmarking, organizational advice, HR advice (including recruiting, discharging and employment contracting) and tax-related advice. This identified trend is in line with Howieson (2003), who emphasized that small medium-sized accountancy firms are directed to become more multidisciplinary and must compete with other existing and emerging advisory professionals to create value for and with customers in a unique and different way (Howieson, 2003). It is expected that the structure of the service provision, which relates to the ratio of statutory accounting services and business advisory services, offered by small medium-sized accountancy firms will change:

"I think that in the past, ten till fifteen years ago, the service provision was composed of 70% statutory accounting services, which relates to traditional activities. Step by step it evolves to 50%, while the other 50% refers to the turnover related to advice, or other turnover let me phrase it in this way. From a lazy chair I would say the ideal ratio is 70% routinely and traditional activities (statutory accounting services) and 30% 'remaining activities', that would be pleasant, that would be perfect." (Key account manager/Branch manager, IT & Innovation)

"If you look to our turnover and the underlying activities, mostly it relates to traditional activities. I think still 75% of the turnover is earned by fixed products (statutory accounting services). It would be nice if in the coming years this ratio would change. Let us first try to make it 50%. Mainly the component 'advice' is very broad, but the consultancy-like aspect has to grow." (Branch manager, Construction)

"I think that currently the statutory accounting services, like declarations and financial statements, are still most important. However, the company perspective is, which I support for 100%, that this kind of service provision will cave in rapidly the coming years. So, there are two possible directions: 1). Or you have too many employees or 2). We will extend our service provision and we will also do more organizational advice. We choose the last direction." (Key account manager/Branch manager, Industry & Technique)

Although, Howieson (2003) pointed out that the markets for statutory accounting services are becoming increasingly competitive and these services will be to some large extent automated, as a result of which small business customers will become more self-reliant and will be able to perform a major part of the statutory services external accountants offer themselves, the demand for statutory accounting services will not completely disappear. It is evident that on its own this kind of service provision will no longer have the potential to differentiate the small medium-sized accountancy firm from its competitors.

4.1.2h. Key resources

The interviewed key account managers'/branch managers' comments suggest that the suppliers' key resources, which are critical to the provision of services and therewith also to the problem solving process, can be broadly defined as: data, IT/automation/systems and employees and their respective (tacit) knowledge. These three key resources are highly interconnected with each other and will also reinforce each other. For example, it is evident that data has no value if it cannot be categorized well with the help of IT and interpreted by the right people. The following citations will complement each other and illustrate this interdependence between the key resources:

"We developed many IT-like tools and templates. We make use of standard applications, but from those standard applications we will generate our own reports. And the IT is supporting the knowledge process. IT simplifies and generates information for us, from which you can advise a customer, based on your own expertise. However, this movement can also accelerate if IT is standard generating data and indicate trends. And then you are already at the other side. Nevertheless, it is still supporting the knowledge process, because if people are no longer of importance the accountancy firm is doomed." (Branch manager 2, Healthcare)

"The process is really accelerating. The IT is becoming more and more important, through which our uniqueness and the way how we differentiate ourselves is also becoming more relevant. Unburden the customer is essential, because therewith we preserve our customers and through the processes we could still offer competitive statutory accounting services." (Key account manager/Branch manager 1, Healthcare)

"The financial statements will no longer be a differentiator or will contribute to our uniqueness. Accountancy firm x, y and z are all able to offer the same. Everybody can produce that financial statement. The demand for this product will not completely disappear. The same holds for tax statements. But that is more like a hygiene factor. Ultimately, the people will make the difference, but it is required that these people have the skills to utilize the tools and maintain that the customer will receive the information instead of obligatory files, which a customer needs on the basis of laws and regulations in the field of tax. Probably every firm would say that. The uniqueness is more shifting

towards branch specializations, concerning the knowledge about the developments within a branch. This indicates that the uniqueness is related to the knowledge of the people. I think that there is a shift towards a different type of employee. It has to be somebody who will monitor important developments, is sufficiently grounded in the accounting profession, but that is somewhat logic, and has the persuasion to distinguish itself by means of branch specialization. And this means a shift from accounting professionals to more data analysts. I think that the journal entries, which was a standard product in the past, is easily taken over by IT.” (Branch manager 2, Healthcare)

Given the fact that the uniqueness of the small medium-sized accountancy firm is related to the knowledge of the people, there is a shift towards a different type of employee and small medium-sized accountancy firms are striving for adding more areas of service to their statutory accounting service. This is closely related to the evolvement of the dynamic capability as described by Døving and Gooderham (2008). By employing a dynamic capability of the firm, some differences in the scope of the business advisory services small firm accountancy practices supply can be explained (Døving & Gooderham, 2008). With regard to the dynamic capabilities view of the firm, Døving and Gooderham (2008) stressed three implications for authorized accountancy practices in terms of their ability to generate a broad scope of business advisory services. In purely pragmatic terms, the first implication involves recruiting front-line staff with education types that are less narrowly geared to the technical characteristics of accountancy and have a bachelor’s and/or master degree level of education (Døving & Gooderham, 2008). Also, it holds that small firms accountancy practices must have routines and systems in place that ascertain the regular development of their human capital, as well as the processes that facilitate the development of alliances with a range of other service providers (Døving & Gooderham, 2008).

So, the heterogeneous human capital of the small medium-sized accountancy firm indicates the type of employees and their diverse (tacit) knowledge they possess. Referring to the shift from accounting professionals to more data analysts, this heterogeneity is critical to the problem solving process, growth and sustainability of small medium-sized accountancy firms.

4.1.3i. Diagnosing needs

Similarly to problem solving phases identified by Aarikka-Stenroos and Jaakkola (2012), the data indicate that co-creation begins with an identification of the needs and the goals for the exchange. This identification can be facilitated by means of one-on-one meetings between supplier and customer, organizing branch seminars, organizing round table discussions and joining networking events. A majority of the key account managers/branch managers noted that it is typically the responsibility of the professional to use their specialist knowledge and experience to identify what the customer really needs. One preliminary identified customer need refers to the fact that every entrepreneur requires a financial advisor or accountant. Mostly customer needs are identified by making use of branch information and/or facilitate dialogue with customers to ask for their latent needs, which are also unknown to themselves. The following citations illustrate the identification of customer needs:

“I think mainly by facilitating dialogue with your customers. And then I think of asking open questions. The customer is the starting point and you have a broad scope of services, which can be made knowable in terms of ‘what do we possess internally’, ‘what are the things we are able to do’. Customer needs will also change continuously, some things are latent and sometimes customers decide ‘that will be

relevant in 2 to 3 years from now'. The ability to clearly identify the needs on the short term is essential to see if the small medium-sized accountancy firm can fulfill these needs. Or sometimes even more important, our network of partners, which are also organizations and individuals, outside of the small medium-sized accountancy firm, that can fulfill customer needs. In our perception it is about the way in which the customer will be serviced optimally and that is also realizable with specialists in different fields of knowledge." (Branch manager, Construction)

"It starts with the first question 'How did the customer come into contact with us'. Did it involve acquisition, a reference, history, did a customer approach us or did we approach the customer. If correctly executed, the customer needs will become transparent in the introductory meeting and the customer needs and wants will be identified and recognized. However, this is dependent on the kind of person 'who started the conversation and did the identification occurred adequately'." (Key account manager/Branch manager, Horeca & Retail)

The interviewed key account managers'/branch managers' comments indicates that in the initial phase of the process, both suppliers as well as customers may lack a mutual understanding of the goal pursued, and the diverse benefits and sacrifices attached to different solution options. This finding is in accordance with the study carried out by Aarikka-Stenroos and Jaakkola (2012).

If a customer need is identified, communication is taken place about 'the specific wants', 'what can be delivered by the supplier' and 'what to agree upon'. This is quite predictive. However, if additional needs will arise a distinction can be made between reactive and proactive. While reactive refers to a customer asking the small medium-sized accountancy firm 'could you help, support or advice us', the proactive part indicates 'showing what the organization is doing or mapping out important developments within the branch' and pushing the customer with information, such as market developments.

In case if there is a need for advice or support, the customer as well as the supplier has to take responsibility and encourage the free flow of information. The flow of information has to comprise both sides, to ultimately obtain reciprocal service, as emphasized by Vargo and Lusch (2008). Referring to this flow of information, it is important to identify and recognize differences in perceptions between supplier and customer, with regard to each other's' resources goals and resources. To prevent a potential gap occurring between the perception of the supplier and the expectation of the customer, as emphasized by Grönroos (2011) and Zeithaml (1988), it has to be very concrete what both parties expect from each other. A majority of the key account managers/branch managers refer to the order confirmation as a mean of bridging a potential gap between perceptions and expectations. Moreover, there is a possibility that some customer expectations remain latent, as a result of which the facilitation of a continuous dialogue (i.e. including (latent) expectations, evaluation criteria, feedback points) is of critical importance and needed to choose the path that prefigures the optimal value. If the communication between supplier and customer is insufficient, because of an incomplete order confirmation or the absent of a dialogue, this could for example result in disagreement about the bill. One of the key account managers/branch managers outlined some examples of situations in which there is an identified difference in the perceptions between supplier and customer, regarding data leakages and formalizing contracts. These two examples refer to subjects which are very important from the perspective of an accountant, but seem far removed from the customer perspective. The following citation explains further:

“With regard to subjects which are from the perspective of an accountant very important (such as compliance of laws and regulation, financial issues) and seem far removed from the customer perspective, the customer seems not persuaded why he/she would buy those services or need to anticipate on this matter. Thus, this is often the case with renewed laws and regulations, changes in the labour law and those kind of things. Initially, you see customers take a wait-and-see attitude. It cannot be better.” (Branch manager 2, Healthcare)

Within the initial phase of the value co-creation process, both suppliers and customer may lack a mutual understanding of the goal pursued, and the diverse benefits and sacrifices attached to different solution options. It seems that if a customer value proposition(s) is (are) present, it is not precisely reflecting customer needs within varied customer segments. To clearly identify customer needs, the small medium-sized accountancy firm could facilitate dialogue with customers and ultimately jointly develop unique customer value propositions. Subsequently, the small medium-sized accountancy could give clear direction to the value co-creation process. The data shows that not all the key account manager/branch manager are familiar with the concept of customer value proposition and provide varied answers. While one branch manager relates the customer value proposition only to its statutory accounting services, another describes the added value the small medium-sized accountancy firm wants to create, but does not include the ‘how-question’ and the strategic positioning within the market. Both, do not include the functional as well as the emotional dimension of a value proposition. To illustrate, the former is described as follow:

“Small medium-sized accountancy firm x offers professional services to entrepreneurs, in the area of accountancy, tax and human resources and supports in risk management and seizing opportunities.” (Branch manager, Construction)

The following two citations emphasize the contradictory answers two key account managers/branch managers provided to the question: ‘Is the value proposition transparent and visible for customers’:

“Yes, I think it is for 80%/90% correct. Look, I think it is for every customer clear that an accountant will cost money, that an accountant is more expensive than an organization dealing with office administration is also clear, 9 out of 10 times they want to pay for that. However, they should have the feeling that first, they are no number and second, they are heard and experience that somebody is thinking along. That are the most important conditions.” (Key account manager/Branch manager, Industry & Technique)

“No, I am still thinking, but that is also something related to the SME sector, ‘why do customers think on forehand that we are too expensive’. I think that this is the case and then you can conclude that the value proposition is not transparent and visible, because if this was completely transparent there would be less inconvenience about the fee and the bill. It is underestimated how much need to be explored with regard to an apparent simple question, mainly in the field of tax, which will cost money and thus will be included in the bill.” (Key account manager/Branch manager, Horeca & Retail)

So, as mentioned before, co-creation begins with an identification of the needs and the goals for the exchange. By facilitating dialogue, the small medium-sized accountancy firm can invite a counterpart to talk about mutual requirements, which might function as a starting point for the development of reciprocal customer value propositions (Ballantyne et al., 2011). Ultimately, this joint

development of reciprocal customer value propositions could lead to a transparent and visible value proposition, after which value is co-created during interactions.

4.1.3j. Design and producing the solution

The data reflect the different dimensions of value co-creation, with the three elements of each, as emphasized by Ranjan and Read (2016). Similarly, to the work of Aarikka-Stenroos and Jaakkola (2012) and their respective findings, after diagnosing the need, customer and supplier undertake a negotiation process to specify the problem and optimal value proposition for its resolution. The key account managers/branch managers described a negotiation process where the supplier proposes the value-in-use potential of different solution options, and related resource requirements, and the customer elaborates and evaluates the seller's proposition (Aarikka-Stenroos & Jaakkola, 2012). The majority of the key account managers/branch managers distinguish between producing statutory accounting services and producing business advisory services. While statutory accounting services are customer-initiated, based on compliance with the law and regulations, business advisory services are more about listening to the customer and the importance of the relationship, interaction between the supplier and the customer to co-produce the solution:

"If you go to the baker and enter the shop, while you don't know yet what you want, and the baker says: 'I have a nice bread for you', that would be really strange. Nevertheless, that is in our sector somewhat different. The customer approaches us because he wants a financial statement, a tax declaration or maybe some support with the salary administration and maybe even also a financial sounding board. But if it is about the financial-economic developments, the customer needs first to be triggered. A nice example: you enter a bar and there is a new drink (for example, the introduction of Radler), then you have permission to taste it first. With regard to our service provision, it is somewhat the same. For the statutory accounting services, they will come to us, just like the baker, they assume we possess these services. If we have some other things internal, then we have to first let the customer 'smell', let them experience, this is what we offer you, this is the potential benefit for you and is there a need for." (Branch manager 2, Healthcare)

With their key resources and alternative sources of information, small medium-sized accountancy firms design their services, statutory accounting services as well as business advisory services. From there on they consider how to co-produce these services with their customers, to satisfy their needs. For example, instead of arranging a one-on-one meeting with a customer, invite another colleague who has expertise in a certain area, which could be interesting for the customer.

The majority of the key account managers/branch managers indicated, that in the context of small medium-sized accountancy firms (i.e. KIBS) suppliers dominate the solution formulation, and customers expect to delegate a lot of things to the experts, and to count on their opinions, evaluations and suggestions (Aarikka-Stenroos & Jaakkola, 2012). Producing statutory accounting services and business advisory services require very specialized knowledge and will be initially mainly firm-initiated, after which small medium-sized accountancy firms need to create experience environments and understand that the co-creation of value is realized through personalized interactions. The ability of small medium-sized accountancy firms to adapt their service provision to the individual needs of customers, is highly depended on how well customers provide them with information and knowledge about the industry, interests, needs and other details. So, customers may still play a critical role in the problem solving process.

With regard to the design of the provision of services (i.e. problem solving process) it can be described as follow:

“So, assuming that you are the one who obtain the customer, the customer accepts the assignment, then you will also formalize a team around you. This means, that one or two, at least a tax specialist and an accountancy employee are joining and at the moment that somebody has also personnel, a salary administrator will join. Then, I think the most important task, in this preliminary phase, is to introduce all the people to each other and eventually you will perceive that customers appreciate it when they have a point of mutual interest. Most often this refers to the relations manager or the account manager. And dependent on the kind of service provision we will offer, the frequency of contact is determined and if I will be often around or maybe only the accountancy employee or perhaps we both rarely and the salary administrator frequently. So, the composition of the team is dependent on the assignment. It is essential to introduce everybody as soon as possible to the customer, to clarify who is responsible for what.” (Key account manager/Branch manager, Horeca & Retail)

The problem solving process of the small medium-sized accountancy firm is organized around a variety of problems (i.e. needs). The solution formulation is related to the use of statutory accounting services (e.g. tax declaration, financial administration) and business advisory services (e.g. HR, IT, management consultancy). A key account manager/branch manager stated the following: *“We are active in everything that relates to the start of an entrepreneur until the grave of an entrepreneur.” (Key account manager/branch manager, IT & Innovation)*. Moreover, another branch manager indicated that the small medium-sized accountancy firms cannot solve the ‘real’ problem for the customer:

“We could support them, we could provide advice, but a customer who has no turnover will not get more turnover with our support. We could facilitate them with information, so the customer can monitor its turnover to see in time if the turnover is decreasing. Thus, a customer who has a decreasing turnover and who is halfway, probably could ring the bell somewhat earlier if he followed the trend by taking note of our management information.” (Branch manager 2, Healthcare)

With a well-designed problem solving process the small medium-sized accountancy firm should be able to create or facilitate value for its customers. Grönroos (2011) stated that the customer creates value, and the firm facilitates value creation. Besides, he emphasizes that it is important to realize that value facilitation is not value creation or value co-creation; it is only part of the total process that leads to value for customers (Grönroos, 2011). The data indicate varied ways in which value is created or facilitated for customers:

“I think our slogan entails the essence: ‘a personal approach’ and ‘seizing opportunities and minimizing risks’. The joined entrepreneurship to challenge the customer to think about it. I think we deliver value. Within the accountancy, you are kind of a walking encyclopaedia, an extension piece of the entrepreneur.” (Key account manager/Branch manager, Industry & Technique)

“How do we organize that? Due to our employees, to develop them to real professionals by means of education. Recruiting talent and young professionals for our organization and give them a challenging career path. A). A nice job B). Become skilled within the job. Thus, even when they will leave the

accountancy sector, they will look back and have learned a lot. I think that is good for the person and on the other side it is good for the organization to employ this talent and have the advantage that customers are satisfied, the merits you get with everybody, the salary of the employees as well as the benefits received by the shareholders. And these benefits are also needed to invest in the future and recruit talent or to set up new things. Yes, that is kind of a circle.” (Branch manager, Construction)

“I think that, a little bit dependent on the type of customer, of critical importance is to ‘unburden in the field of law and regulations’.” (Key account manager/Branch manager, ICT & Innovation)

Furthermore, reflecting on the notion of creating and facilitating value, as described by Grönroos (2011), two key account manager/branch managers refer to the difference between creating and facilitating value. However, both emphasize that small medium-sized accountancy firms are creating value as well as facilitating value. As explained by a branch manager, when the customer approaches the small medium-sized accountancy firm with the question ‘I have a problem, could you solve this’, then the small medium-sized accountancy firm will facilitate the solution for the customer. However, if the need is created or initiated by the small medium-sized accountancy firm by saying ‘customer, this is interesting for you’, then value is created, because the small medium-sized accountancy firm approaches the customer. Another key account manager/branch manager emphasizes that creating value as well as facilitating value are both applicable, because value is created on the basis of knowledge and data the small medium-sized accountancy firm possess, while value is facilitated by offering as much services as possible on varied levels.

The interaction process between the small medium-sized accountancy firm and its customer is key to the opportunities to facilitate value creation for and with each other. This interaction process is composed of the following: the frequency of contact, the different channels, the actors involved. The key account managers/branch managers indicate varied channels through which interaction is taken place, such as one-on-one meetings, networking events, branch seminars (i.e. active) and newsletters (i.e. reactive). However, the frequency of contact, the different channels and actors involved, are highly dependent on the kind of assignment, the customer involved and its expectations about the frequency of contact and the services offered to the customer (i.e. statutory accounting services and/or business advisory services). These factors will determine the department, the composition of a team and also the small firm business accountant(s)-advisor(s) involved. Interacting with your customers and facilitating dialogue is of central importance to seizing opportunities, as described by a branch manager:

“To seize opportunities, you have to be into dialogue with that customer. So, if you ask me ‘how could you increase customer value as well as the implicit business value for us as a small medium-sized accountancy firm’, then you have to be very critical about which service provision should be at least offered to the customer, who never wants to interact with us, but only wants to buy a product/service. To provide advice or a good value proposition, you have to know what the customer is doing. A customer who asks ‘I need still to arrange the financing, could you help me’, while the building of a health centre is nearly completed, is actually too late. Integrating is most successful with the customers whom you know the best.” (Branch manager 2, Healthcare)

One of the branch managers elaborated on the interaction process and emphasized the key term ‘proactivity’. From his point of view, proactivity has to be directed, instead of perceiving it as a

one-way communication process, in which it holds that 'I will continuously approach you if I signal something', then you can forget it. So, proactivity has to be a two-way process between the customer and the supplier. The supplier's ability to engage in active dialogue and interaction with the customer increases its potential to support the creation of value-in-use, i.e. to improve how the object of exchange is put to use (Aarikka-Stenroos & Jaakkola, 2012).

Referring to the work of Ranjan and Read (2016), in relation to the notion of value-in-use as one of the two theoretical dimensions of value co-creation, value-in-use consists of the following three elements: experience, relationship and personalization. With regard to personalization, the data indicate that the small medium-sized accountancy can personalize (i.e. customize) its services to some extent. Personalization refers to the uniqueness of the actual or perceived use process, the value being contingent on individual characteristics (Ranjan & Read, 2016). However, by taken a closer look and analyse the comments of the interviewed key account managers/branch managers, personalization can be interpreted in different ways.

For small medium-sized accountancy firms it holds that each statutory accounting service can be seen as a standard product or is based on a standard template, where the input from the customer in terms of financial data will determine the uniqueness. With regard to business advisory services there are different tools and templates which can be used as a starting point, for example a checklist about the organization of the IT or HR function within a company. However, while this checklist can be applied widespread, and in this sense seems not personalized at all, the follow-up determines the degree of customization. If the results out of the checklist indicate that the HR function is poorly organized, a HR advisor of the small medium-sized accountancy firm can support this customer in varied ways. It could be that the problem is known to the HR advisor, from previous experiences, on the basis of which a standard template or tool is developed, which could support the customer and is because of that also personalized in the eyes of the customer. Moreover, data revealed that the whole service provision of the small medium-sized accountancy firm (i.e. both statutory accounting services and business advisory services) is not personalized yet. In the sense that the standard templates and tools are adapted to the different branches and incorporate, for example a standard dashboard including the KPIs of the different branches. One of the key account managers/branch managers stated that the degree of personalization is dependent on the quality of the customers' organization. For example, if the financial function is organized well and you know the monthly reports are reliable and you can proceed as an accountant instead that you have to deal with a poorly organized financial function which requires more in-depth investigation. The interviewed key account managers'/branch managers' comments suggest that personalization is more related to the personal approach of the accountant-advisor towards the customer, instead of the degree of personalization in terms of the products-services. By facilitating dialogue with customers the small medium-sized accountancy firm is able to discuss current themes and map out the struggles and challenges of every customer and determine the role of the small medium-sized accountancy firm in supporting the customer within this process.

The majority of the key account managers/branch managers indicate that the benefits for the customers are related to key term 'unburden'. The notion of unburden refers to the varied activities an entrepreneur is not experienced in or capable of executing these and which can be executed by the small medium-sized accountancy firm. Some examples of benefits are, the small medium-sized accountancy firm employ people within different areas of expertise and therefore possess a substantial amount of knowledge which can be used (i.e. accountants, advisors, tools and templates), provide real-time information, facilitate their extensive network to optimally serve customers, provide support to

the customers in fulfilling their obligations in a proper way, think along with customers and facilitate dialogue.

It is stated that with a well-designed problem solving process the small medium-sized accountancy should be able to create or facilitate value for its customers. However, according to the interviewed key account managers/branch managers, small medium-sized accountancy firms face varied challenges and difficulties in marketing its services and in the problem solving process. The majority of the key account managers/branch managers indicated that the challenges and difficulties can roughly be divided into three parts. While the first part concerns the digitalization and the automation of the statutory accounting services, through which these services can be offered faster and maybe also cheaper to customers. This in combination with the decrease in turnover of the statutory accounting services, results in the need for identifying opportunities to increase turnover and maintain the price level, which relates to the challenge of reshaping accountants to advisors. With regard to this second part, which relates to the transformation of accountants to advisors, the difficulties are related to saying goodbye to employees who executed their work properly but are not able and have the potential to develop the skills which are required for becoming an advisor with a more external and commercial focus. Given the fact that some tasks and activities will disappear these employees become redundant. In addition, while on one hand the difficulties are related to saying goodbye to some employees, on the other hand it involves the development of a group of employees and their skills and capabilities to act like advisors. Furthermore, referring to the notion that the statutory services can be offered faster and maybe also cheaper to customers, there is room left for the accountant-advisor to spend time on identifying areas for attention from the perspective of the customer. This is a potential difficulty, because it is likely that employees will continue the work they used to do instead of thinking more widespread. The third part touches the challenges which are related to the complexity and speed of developments at customers, but also the general business environment. You have to think and act fast. While in the past it could be that the identification of customer needs lasted somewhat longer, nowadays customers expect the identification of their needs on the short term. Besides, the challenge also involves the degree of professionalism related to this realization. To conclude, the following citation comprises the challenges and difficulties related to the relation between the accountant-advisor and the customer as described within part one, part two and part three:

"If my accountant would discuss the financial statement for longer than fifteen minutes, than he has to go home or I performed very bad and he has to send me home." (Branch manager 2, Healthcare)

4.1.3k. Organizing the process and resources

This section involves a description of the kind of resources suppliers use and invest in problem solving, the processes, activities and actions which relate to the problem solving process, how customers participate in the problem solving process and the kind of resources/contributions needed from the customer. According to Aarikka-Stenroos and Jaakkola (2012), suppliers as well as customers play a critical role in the problem solving process; while knowledge intensive service suppliers contribute resources such as accumulated specialization and professional integrity, customers typically contribute information about their needs and their business.

With regard to the suppliers' key resources and its interdependence, this is extensively described in subcategory 4.1.2h. *Key resources* and relates to the most important resources on which the provision of services is based and therewith also relates to the problem solving process. As

depicted within subcategory 4.1.2h. *Key resources*, key account managers/branch managers listed the following key resources: data, IT/automation/systems and employees and their respective (tacit) knowledge. In addition, in the context of this section, key account managers/branch managers emphasized some more resources suppliers use and invest in problem solving, such as education and personal development for employees, the organization of periodic work meetings, team meetings, and the use of lean-groups. Before elaborating on the different ways in which customers can participate in the problem solving process, the process, activities and actions related the problem solving process are described. The key account managers/branch managers mention the administrative process, which basically refers to the statutory accounting services. Regarding this process, a new customer is registered internally, which involves the whole intake, integrity check, subscribing procedure. Subsequently, the customer will be recorded in the CRM-system and the composition of the team, their authorities and the services demanded by the customer will be determined. Of course, this is described in the order confirmation, but it will also be registered. And in that way the available software will be put at someone's disposal and the team members could approach the customer. Based on the kind of order, the small medium-sized accountancy firm will execute administrative-related services and tax-related services.

For the advisory practice it holds that this administrative process, is somewhat different. Except for orders of eight hours and more and orders such as due diligence, mergers and acquisitions and business valuation or orders which are excluded from the normal order confirmation, which will be registered in the same way as the administrative process for statutory accounting services. In general, the advisory practice requires highly-skilled advisors and is more individualistic. Basically, it is about finding the right person for the right problem and it will not always involve teamwork. Next to the administrative process, there is an internal collaboration between the advisory practice and the audit practice.

With regard to the two different processes described, both processes involve varied activities and actions. Besides the activities and actions previously outlined, a key account manager/branch manager stated the following:

"Activities, all external and internal activities, whether or not in collaboration with specific branch groups, customers, potential, but also local authorities, and colleges. These parties are also related to the service provision process, because with them we exchange knowledge and experience, after which we will try to adapt and redirect our process. And actions, that are the new innovative things we try to invent to make ourselves visible. However, this could also be an action to adapt a process internally, through which the process will become more efficient. Concerning interaction between our customers, between the people who work here, between the different departments." (Key account manager/Branch manager, Horeca & Retail)

Reflecting on the different ways in which customer can participate in the problem solving process, the data revealed that customers participate in the development or co-creation of services, by exchanging useful information such as customer experiences and by providing feedback. The notion that value co-creation occurs through a dyadic problem solving process, as is emphasized by Aarikka-Stenroos and Jaakkola (2012), is confirmed by the data. While, dependent on their role (e.g. expert or novice), sometimes the customer will ask for a sounding board to think along and alternately the supplier approaches the customer to think along. In the case of an expert customer, a key account manager/branch manager described the following:

"I personally went a few times to customers to ask them 'we are developing something, could you think along with us'. Sometimes you also show a customer 'we have this, is this of value for you' and that a customer says 'then I would like to see this and this'. So, from the perspective of our toolbox you say 'we have this' and that the customer says 'yes, but that information or this number is very important for me, could you incorporate this in a dashboard for example, in order that I could see it directly' and then it will be incorporated." (Key account manager/Branch manager, Industry & Technique)

In addition, concerning the exchange of useful information a branch manager emphasized the following:

"The exchange of useful information is where we ask the question 'do we have to provide this information' and raising the question is actually already the exchange of information." (Branch manager 2, Healthcare)

With regard to the provision of feedback there is no common formalized evaluation form, but accountants-advisors are personally responsible for the feedback received from their own customer base. An accountant-advisor can ask the customer 'is this good or not so good' or 'what is in your view odd and what do you want to see differently next year'. However, accountants-advisor can also provide feedback to the customer by suggesting for example 'we could work even more efficient if you deliver this and this on forehand', which is the other way around. The majority of the key account managers/branch managers indicate that regarding the feedback culture, there is room for further improvement. A key account manager/branch manager stressed that nowadays the facilitation of feedback (i.e. receiving and providing) is organized to much ad-hoc, with a wait-and-see attitude until the customer will indeed provide feedback. And by adopting such an attitude most often the feedback will be negative, because when something did go wrong you will hear it, 'no news, good news'. In accordance with this wait-and-see attitude, a branch manager mentioned the following:

"Once a former colleague of mine stated that the most important feedback you could ever get is 'the payment of the bill'. If the customer payed than he is satisfied in some way." (Branch manager 2, Healthcare)

It is emphasized that it would be correct if the customers are more often asked for their confirmation if they are satisfied, if they have further questions, if there is a need for complementary services. It could be the case that the accountant-advisor who interacted with the customer ask for feedback, but also someone who did not interact with the customer to strive for a 'sincere' answer. It is important to let customers experience that they will be heard and that there is always time and room left to do more. So, after an intense trajectory, it is good to be vulnerable and ask to customers 'what did you experience as pleasant', 'what did you experience as irritating', 'what disappointed you', 'what exceeded your expectations'. However, as is emphasized by a key account manager/branch manager, an accountant-advisor has to anticipate when it is appropriate to ask for feedback, because customers are overflowed with evaluation forms and become tired of standard feedback forms.

After describing the different ways how customers can participate in the problem solving process, it is interesting to address the resources/contributions which are needed from the customer. Referring to the work of Aarikka-Stenroos and Jaakkola (2012), customers typically contribute

information about their needs and their business. The data indicate that customers need to tell what they are doing and provide information unambiguous and on time. If the provision of information is chaotic it will become more difficult to provide a good advice. Moreover, integrity is of central importance. Small medium-sized accountancy firms have codes of conduct and professional rules, so customers need to be decent.

4.1.3I. Managing value conflicts

To reach for an optimal value-in-use and achieving smooth interaction between supplier and customer, managing value conflicts is of critical importance. At first it is about knowing the branch, the management of expectations of your target customers by means of a proper intake, after which it can be specified if and how the small medium-sized accountancy firm can be of added value. If the small medium-sized accountancy firm has the potential to support the customer, it is determined which disciplines and team composition will lead to a fit. Consequently, the allocated team or individual accountant-advisor need to facilitate dialogue with customers, through which customers have the opportunity to define their expectations about the role of the accountant(s)-advisor(s) and how they want to see things in practice. If this is done correctly, it is important to register things in an order confirmation or a proper transparent email. In this way you determine the expectations upfront, the return and probably also an estimation of the time allocation. With regard to the order confirmation, frequently it is also included that an evaluation will take place after completing the assignment, which could support the management of value conflicts that may have arisen during the execution of the assignment. To facilitate collaborative problem solving, accountants-advisor need to appreciate the customer's potential for contribution and should not rely solely on their own perception and evaluation of the optimal value proposal, as is illustrated by the following citations:

"The only way you could be transparent about, this is what I am going to do 'is that right', 'what do I expect', 'is that also your expectation', is to determine it upfront. The biggest problem is, if you are busy with something and the customer says halfway 'yes, but this is not what I meant, I meant the following'. This will happen to you now and then and is always related to an ambiguous planning upfront." (Branch manager 2, Healthcare)

In addition:

"Your own perception of something, when you are not interrogating sufficiently. It is critical to ask open-questions, questions to uncover the real problem. And sometimes we already completed this from the perception of the customer. However, if you are unlucky you have got it all wrong." (Key account manager/branch manager 1, Healthcare)

"The biggest problem is if the customer expects it last one hour, while I expect it will last eight hours and we did not communicate this upfront with each other. This will always result in discussions and ultimately both parties will compromise with each other, resulting in a grumpy feeling for both parties." (Branch manager 2, Healthcare)

Some of the interviewed key account managers/branch managers comments suggest that the discussion of the value proposal relates to the process before the order confirmation, and the process of executing the assignment and completing the assignment. A key account manager/branch manager

stated that, dependent on the size of the assignment and the complexity, before an order confirmation is formalized a proposal is developed in the form of a presentation or email. With regard to the different ways in which an accountant-advisor can discuss the value proposal with the customer, it refers to reporting by phone or reporting by letter. This is dependent on how the customer prefers to be advised and the significance of the advising.

Referring to the process of executing and completing the assignment, frequently the accountant-advisor makes a draft version including a variety of alternative solutions. These alternative solutions will be discussed with the customer, because sometimes the apparent best solution for the customer seems not to be the best possible solution. For example, because of emotional elements which play a role or saying goodbye to person x, y is not an option, so customers choose an alternative solution. The solution, which is the best possible solution from the perspective of the small firm business accountant-advisor is not always the final solution.

If there is a gap between the expectations of suppliers and expectations of customers, such as the issue of time allocation illustrated with the fore mentioned example, resolving value conflicts might be an extensive process requiring open discussions on the effect of resource requirements on the value potential (Aarikka-Stenroos & Jaakkola, 2012). Aarikka-Stenroos and Jaakkola (2012) emphasized that such conflicts set challenges for joint value creation, and their management is a critical skill for the supplier.

4.1.3m. Implementing the solution

The interviewed key account managers/branch managers listed a number of concrete outputs generated in the problem solving process, such as organizational advice, tax-related advice, financial administration, estate planning and automation, which need to be implemented to harvest the expected benefits. The majority of the key account managers/branch managers indicate that there is a distinction between delivering services and implementing services. The data provide varied examples of both customers and suppliers act as implementors and co-implementors. For example, if the small medium-sized accountancy firm is providing financial administration to the customer and the customer does not have the required software yet, an accountant-advisor will implement the software, will manage the installation and will give a clarification and provide support in order for the customer to be able to execute the administration independently. This is some sort of an implementation trajectory, in which the supplier acts as implementor and the customer acts as co-implementor. In addition, with regard to services such as due diligence, automation or estate planning probably the medium-sized accountancy firm provides advice, but for running implementation a third party is needed (e.g. lawyer, software provider and notary). When this is the case, it could be that a collaboration is organized by a triangular relationship, between the customer, supplier and a third party. One last example, if the small medium-sized accountancy firms is providing organizational advice, a final conclusion could be that some departments have to be adjusted, have to work in a different way. Perhaps also some employees have to switch from job or workplace. If this is the case, the preliminary phase is related to the elaboration and discussion of the provided advice after which the customer will run the implementation by itself.

Referring to the implementation of services, the data indicate that customers will be always involved in running implementation. One key account manager/branch manager stated that customer involvement is a characteristic of professional services:

"It could be the case that with regard to tax-related advice, we prepare everything after which we

involve the customer and define 'this is what we have done'. And sometimes I say to a customer 'this is maybe too complex for you to explain', but 'we want to reach for this', 'this is the goal' and 'this is the path we take'. In this way you involve the customer in your service provision. Actually, that is a characteristic of professional services." (Branch manager 2, Healthcare)

One key account manager/branch manager described that when he is engaged in the implementation of the solution, he can help the customer utilize the solution in a way that provides greater value-in-use. According to Aarikka-Stenroos and Jaakkola (2012), this role can be termed value experience supporter. As illustrated by the following example:

"Recently, I entered into dialogue with a customer, concerning an automation package/software package, and said 'this is something you should not want to'. The customer had some difficulties with having a conversation, afraid of a confrontation, but I do not know what the matter is exactly in such a situation. Hence, I said 'I will initiate a meeting and then we will tighten the screws on upon that software provider'. In this way you initiate towards a third party and stress 'this is what we want to see on the very short term and confirm this to the customer'." (Key account manager/branch manager, Industry & Technique)

So, basically by facilitating dialogue with the customer and initiating a meeting with a third party and by doing so collaborate in a triangular relationship, an accountant-advisor will increase the value-in-use that was accrued through the solution over a lengthy period of time.

4.1.4n. Value-in-use

This research adopted some of the statements related to the concept of value-in-use, as described by Leemreize (2015). While Aarikka-Stenroos and Jaakkola (2012) examined the value that customers expect and perceive themselves to gain through knowledge intensive business services, this research examines the value that customers expect and perceive themselves to gain through knowledge intensive business services, from a supplier perspective.

The majority of the interviewed key account managers/branch managers indicate the importance of facilitating continuous dialogue, to understand how the services would be valuable upon use in customers' businesses. By facilitating continuous dialogue, listening to customers and interrogating, customers' expectations can be determined upfront as well as the delivered services can be evaluated subsequently. The following citations illustrate two different ways to understand how the services would be valuable upon use in customers' businesses:

"On one hand is very easy, just ask. Recently, we had a meeting and I said 'how difficult is it, just ask'. If you do not ask the customer 'what do you think', 'what do you want' or 'what do you know already', that has to be your starting point. That is the starting point in almost every meeting I had with customers: first listening and then interrogating. Not instantly give your opinion, but just let the customer speak and interrogate. Strive for a direct course of action, because otherwise you mistakenly start. In case you mistakenly start you will also get there, but with some detours." (Key account manager/branch manager, Industry & Technique)

"If I am right, when you deliver services you will get feedback and confirmation if customer needs are served well, as we agreed on. And the feedback can be used to improve things in a subsequent

assignment or as confirmation that the directed course of action is good.” (Key account manager/branch manager, Horeca & Retail)

Moreover, a key account manager emphasized the linkage between the two different ways aforementioned, by making use of goal setting in consultation with the customer (i.e. upfront) and monitoring the stated goals and objectives (i.e. evaluation after the services are delivered). For example, the goal is to decrease personnel costs with 10%, which can be easily monitored if the goal is achieved, financially. However, it is stated that goal setting from a non-financial perspective is more difficult and not always measurable and unbiased.

Another interesting remark is that with regard to statutory accounting services, an accountant frequently knows how these services would be valuable upon use in customers’ businesses, given that statutory accounting services are primarily financial in nature. Such as the notification related to the financial statement, through which reliability is provided to the customer. In case of declaration, reliability is provided to the tax authority, because a professional party provided assistance, and to the customer that the medium-sized accountancy firm covered the best aspects, based on their expertise. Moreover, concerning a legitimate financial audit assignment, the small medium-sized accountancy firm provides reliability with regard to the figures. So, if these figures will be used for external purposes, the small medium-sized accountancy firm provide reliability about the correctness of the figures and these figures provide a clear picture of reality.

Reflecting on the role of advisor, a key account manager stated the following:

“I think we are advisors in the field of somewhat predictive value. There we can support them. We identify trends, we monitor developments, if you do this than this means you require that. However, in the long run we are advisors, so often we provide support to a small part of the aspect a customer wants reliability about.” (Branch manager 2, Healthcare)

It is essential for small medium-sized accountancy firms to actively support their customers in the usage of their service after purchasing. The kind of support relates to an assessment of the status of the trajectory, after successfully running implementation, and if there are additional (latent) needs which may have come to surface during the process. In this sense, the importance of facilitating a continuous dialogue is once again evident. Besides, dependent on the kind of services which are delivered, support is related to for example, counselling in the field of financial administration or Automation/IT. Furthermore, support can refer to suggesting a point of mutual interest. The account manager is the key player and in general the point of mutual interest for customers and is responsible for lots of things, including after-sales service. Basically, this person is always responsible and decide ‘Do I want to be a point of mutual interest for all questions and directed to your question or do I include a second person’. For example, if there is a (latent) customer need in the field of HR, the account manager is responsible for serving this need, personally or include a second person who is specialized in that specific field of expertise. Anyway, at all times there has to be a responsible person who is available. Finally, designating a point of mutual interest is a fundamental part of the complete organization and facilitation of good key account management. Nowadays, with developments such as automation/IT accountants-advisors are more able to proactively support their customers in the usage of their service after purchasing, as a key account manager/branch manager described:

“If your key account management is good than you know ‘what is going on’ and ‘what he is doing with

it' and 'what is happening'. Look, if things can be automatized and of course we are busy with that at the moment, we could see from a distance if a customer utilizes it. And presently we have for example, Visionplanner, which is an intelligent software that can recognize certain trends and signals 'pay attention to: your turnover shows a decreasing trend, if you continue, within four months you will reach a certain point'. Being an accountant-advisor it is about adapting to this, recognizing the trends and inform the customer about 'what is going on', if the decreasing trend will continue you will reach a certain level upon the holidays. And the customer says 'Hey, well done', which relates to the notion of proactivity which you have to strive for as a person, but also with regard to automation you have to make use of it. That is also the reason why we invested in our toolbox." (Key account manager/branch manager, Industry & Technique)

Though, the supplier perspective is extensively described, it is not evident if customer involvement is needed when services are delivered by the supplier firm. The data reveals that basically the customer involvement is limited to running execution/implementation if applicable, paying the bill and a lasting commitment. Besides, a key account manager/branch manager stressed that most often facilitating continuous dialogue to understand customers' expectations is initiated by the accountant-advisor. This is something which is frequently the case with professional service providers. To explain further, facilitating continuous dialogue between supplier and customer refers to the interaction between supplier and customer within the different phases of the collaborative problem solving process. So, with regard to the required supplier involvement and customer involvement when services are delivered, most often the supplier commitment is related to the willingness of staying up-to-date and be interested in the progress, while the customer should feel a sense of commitment that proactivity has to be a two-way process between the customer and the supplier.

Category	Subcategory	Illustrative quotes and short descriptions
1. The knowledge intensive business services organization	1a. Key market developments	<i>Key account managers and branch managers emphasize the impact of robotics, digitization and automation on their business and the business of customers. For example, the complete process of administrative services which are offered to customers, by the small medium-sized accountancy firm or which customers conduct in-house, becomes faster. These key market developments are related to the transition, in which small medium-sized accountancy firms are striving to become more advisory oriented.</i>
	1b. Role of the accountant-advisor	<i>"Being an accountant means you are very 'broad', you have some knowledge of everything. But, if you want to be of added value for a customer you have to understand his world." (Key account manager/Branch manager, Industry & Technique)</i> <i>"Actually you see two things and that is: 1). They want to have an entrepreneur on their side. 2). And a sounding-board. Which means that if customers have problems, or they want to reflect on things such as 'this is what stagnates me, how would you approach it'. So, just a sort of walking encyclopaedia." (Key account manager/Branch manager, Industry & Technique)</i>
	1c. Customer segment(s)	<i>The data reveals that the practice of customer segmentation is not uniformly applied. Customers are segmented based on the branch segmentation: Industry & Technique, Healthcare, IT & Innovation, Horeca & Retail and Construction. This segmentation approach provides advantages in the light of specialism and service provision. However, it does not comprise the difference between existing and new customers, customers' current and potential role in the value creation process, the size and turnover of different customers. Within this branch segmentation there is some sort of internally applied segmentation scheme, to reach for an accurate focus in the customer approach. However, its application is optional and based on the own perception of a key account manager. To conclude, the link between customer segmentation and service provision is of central importance.</i>
	1d. Uniqueness	<i>Out of the data the following differentiators can be identified: branch specialization; customer segmentation; informal, personal approach; diversity of the workforce; flexibility and breadth of the service provision; and the role of innovation. With regard to the extent of profiling its uniqueness externally, the role of social media and the organization of branch seminars with diverse parties, like banks, are of central importance.</i>
	1e. Competitors and strategic positioning	<i>"That we could differentiate ourselves from our colleagues (competitors) and deliver more added value to those specific entrepreneurs within their branch, than with the statutory accounting services as we did in the past." (Key account manager/Branch manager, Horeca & Retail)</i> <i>"I think that our small medium-sized accountancy firm is a sophisticated and innovative accountancy firm, in the region of Twente, and has the potential to growth even more by especially continuing along the chosen path." (Key account manager/Branch manager, Horeca & Retail)</i>
2. The service provision	2f. Development of new services	<i>The majority of the key account manager/branch managers emphasized that the development of new services is firm-initiated or sometimes initiated by the trade organization as well as customer-initiated. On the basis of all information available about customers, the small medium-sized accountancy firm could improve (i.e. exploit) their statutory accounting services (i.e. audit services) and develop (i.e. explore) their business advisory services (i.e. non-audit services). One last interesting remark with regard to the development of new services is the importance of pace in developing services instead of the quantity in developing services.</i>

	2g. Most important services	<i>"I think that currently the statutory accounting services, like declarations and financial statements, are still most important. However, the company perspective is, which I support for 100%, that this kind of service provision will cave in rapidly the coming years. So, there are two possible directions: 1). Or you have too many employees or 2). We will extend our service provision and we will also do more organizational advice. We choose the last direction." (Key account manager/Branch manager, Industry & Technique)</i>
	2h. Key resources	<i>The interviewed key account managers'/branch managers' comments suggest that the suppliers' key resources, which are critical to the provision of services and therewith also to the problem solving process, can be broadly defined as: data, IT/automation/systems and employees and their respective (tacit) knowledge. These three key resources are highly interconnected with each other and will also reinforce each other. For example, it is evident that a data has no value if it cannot be categorized well with the help of IT an interpreted by the right people.</i>
3. The value co-creation process	3i. Diagnosing needs	<i>The data indicate that co-creation begins with an identification of the needs and the goals for the exchange. This identification can be facilitated by means of one-on-one meetings between supplier and customer, organizing branch seminars, organizing round table discussions and joining networking events. A majority of the key account managers/branch managers noted that it is typically the responsibility of the professional to use their specialist knowledge and experience to identify what the customer really needs. Mostly customer needs are identified by making use of branch information and/or facilitate dialogue with customers to ask for their latent needs, which are also unknown to themselves.</i>
	3j. Design and producing the solution	<p><i>The key account managers/branch managers described a negotiation process where the supplier proposes the value-in-use potential of different solution options, and related resource requirements, and the customer elaborates and evaluates the seller's proposition. The majority of the key account managers/branch managers distinguish between producing statutory accounting services and producing business advisory services. While statutory accounting services are customer-initiated, based on compliance with the law and regulations, business advisory services are more about listening to the customer and the importance of the relationship, interaction between the supplier and the customer to co-produce the solution.</i></p> <p><i>The majority of the key account managers/branch managers indicated, that in the context of small medium-sized accountancy firms (i.e. KIBS) suppliers dominate the solution formulation, and customers expect to delegate a lot of things to the experts, and to count on their opinions, evaluations and suggestions.</i></p> <p><i>The problem solving process of the small medium-sized accountancy firm is organized around a variety of problems (i.e. needs). The solution formulation is related to the use of statutory accounting services (e.g. tax declaration, financial administration) and business advisory services (e.g. HR, IT, management consultancy).</i></p> <p><i>The interaction process between the small medium-sized accountancy firm and its customer is key to the opportunities to facilitate value creation for and with each other. This interaction process is composed of the following: the frequency of contact, the different channels, the actors involved. The key account managers/branch managers indicate varied channels through which interaction is taken place, such as one-on-one meetings, networking events, branch seminars (i.e. active) and newsletters (i.e. reactive). However, the frequency of contact, the different channels and actors involved, are highly dependent on the kind of</i></p>

		<p>assignment, the customer involved and its expectations about the frequency of contact and the services offered to the customer (i.e. statutory accounting services and/or business advisory services).</p> <p>According to the interviewed key account managers/branch managers, small medium-sized accountancy firms face varied challenges and difficulties in marketing its services and in the problem solving process. The majority of the key account managers/branch managers indicated that the challenges and difficulties can roughly be divided into three parts:</p> <ol style="list-style-type: none"> 1. Digitalisation and automation of the statutory accounting services 2. Transformation of accountants to advisors 3. The complexity and speed of developments at customers, but also the general business environment
	3k. Organizing the process and resources	<p>The key account managers/branch managers mention the administrative process, which basically refers to the statutory accounting services. For the advisory practice it holds that this administrative process, is somewhat different. Next to the administrative process, there is an internal collaboration between the advisory practice and the audit practice. With regard to the two different processes described, both processes involve varied activities and actions. Besides the activities and actions previously outlined, a key account manager/branch manager stated the following:</p> <p>“Activities, all external and internal activities, whether or not in collaboration with specific branch groups, customers, potential, but also local authorities, and colleges. These parties are also related to the service provision process, because with them we exchange knowledge and experience, after which we will try to adapt and redirect our process. And actions, that are the new innovative things we try to invent to make ourselves visible. However, this could also be an action to adapt a process internally, through which the process will become more efficient. Concerning interaction between our customers, between the people who work here, between the different departments.” (Key account manager/Branch manager, Horeca & Retail)</p> <p>Reflecting on the different ways in which customer can participate in the problem solving process, the data revealed that customers participate in the development or co-creation of services, by exchanging useful information such as customer experiences and by providing feedback.</p> <p>With regard to the resources/contributions which are needed from the customer, the data indicate that customers need to tell what they are doing and provide information unambiguous and on time. If the provision of information is chaotic it will become more difficult to provide a good advice. Moreover, integrity is of central importance.</p>
	3l. Managing value conflicts	<p>To facilitate collaborative problem solving, accountants-advisor need to appreciate the customer’s potential for contribution and should not rely solely on their own perception and evaluation of the optimal value proposal, as is illustrated by the following citations:</p> <p>“The only way you could be transparent about, this is what I am going to do ‘is that right’, ‘what do I expect’, ‘is that also your expectation’, is to determine it upfront. The biggest problem is, if you are busy with something and the customer says halfway ‘yes, but this is not what I meant, I meant the following’. This will happen to you now and then and is always related to an ambiguous planning upfront.” (Branch manager 2, Healthcare)</p>

		<p><i>In addition:</i></p> <p><i>“Your own perception of something, when you are not interrogating sufficiently. It is critical to ask open-questions, questions to uncover the real problem. And sometimes we already completed this from the perception of the customer. However, if you are unlucky you have got it all wrong.” (Key account manager/branch manager 1, Healthcare)</i></p> <p><i>“The biggest problem is if the customer expects it last one hour, while I expect it will last eight hours and we did not communicate this upfront with each other. This will always result in discussions and ultimately both parties will compromise with each other, resulting in a grumpy feeling for both parties.” (Branch manager 2, Healthcare)</i></p>
	3m. Implementing the solution	<p><i>The interviewed key account managers/branch managers listed a number of concrete outputs generated in the problem solving process, such as organizational advice, tax-related advice, financial administration, estate planning and automation, which need to be implemented to harvest the expected benefits. The majority of the key account managers/branch managers indicate that there is a distinction between delivering services and implementing services. The data provide varied examples of both customers and suppliers act as implementors and co-implementors. For some other solutions (i.e. services) it holds that for running implementation a third party is needed (e.g. lawyer, software provider and notary). When this is the case, it could be that a collaboration is organized by a triangular relationship, between the customer, supplier and a third party. Referring to the implementation of services, the data indicate that customers will be always involved in running implementation.</i></p>
4. The value-in-use facilitation process	4n. Value-in-use	<p><i>The majority of the interviewed key account managers/branch managers indicate the importance of facilitating continuous dialogue, to understand how the services would be valuable upon use in customers’ businesses. By facilitating continuous dialogue, listening to customers and interrogating, customers’ expectations can be determined upfront as well as the delivered services can be evaluated subsequently. To understand how the services would be valuable upon use in customers’ businesses the small medium-sized accountancy firm could make use of goal setting in consultation with the customer (i.e. upfront) and monitoring the stated goals and objectives (i.e. evaluation after the services are delivered). For example, the goal is to decrease personnel costs with 10%, which can be easily monitored if the goal is achieved, financially. An interesting remark is that with regard to statutory accounting services, an accountant frequently knows how these services would be valuable upon use in customers’ businesses, given that statutory accounting services are primarily financial in nature. Such as the notification related to the financial statement, through which reliability is provided to the customer.</i></p>

Figure 3: Code manual for the supplier perspective towards value creation

4.2 Qualitative results regarding the combined perspective of customer and supplier towards the development of reciprocal customer value propositions

To get a comprehensive picture of the combined perspective of customer and supplier towards the development of reciprocal customer value propositions, next to the previously described supplier perspective towards value creation, this research brought small firm business accountants-advisors and customers together in focus groups to collect the different level of data produced by personal interaction. Out of the focus group interviews that were conducted, several patterns can be observed. By taking an inductive approach towards data analysis, the basic idea is to write down short phrases, ideas or concepts arising from the focus group transcripts and related studies (i.e. Aarikka-Stenroos and Jaakkola, 2012; Leemreize, 2015). By doing so, categories will start to develop, which are consistent with the initial framework from the protocol questions for organizing by question or area (Brotherson, 1994; Rabiee, 2004). In the next paragraphs each category and subcategory will be discussed, by incorporating the value-in-use knowledge of customers (i.e. customer insights) and knowledge of the supplier with respect to value creation. Ultimately, these categories and subcategories comprise the dialectical process of developing reciprocal customer value propositions between supplier and customers, which resulted in jointly completing the value proposition canvas. Given the variety of occupational groupings and the composition of the two focus groups, each category and subcategory will be described separately for focus group 1 and focus group 2.

4.2.5o. Key market developments

Focus group 1

The data indicate that there is a diversity of market developments customers have to adapt to, now and in the future. The demand for healthcare is changing, i.e. from curative to preventive. Besides, there is a tendency that customers are more and more involved in the co-creation of services with their own customers. Another market development relates to the contract with health insurance organizations and the dependency on politics, in which customers have little or no input and things will be decided for them. In addition, given the diversity of market developments many organizations feel cornered and are enforced to merge. Also, customers are more and more forced to become and act like an entrepreneur. So, next to providing care they have to know something about Finance, their personnel and about entrepreneurship. The following citations illustrate the changing situation for a general practitioner:

“When I started as a general practitioner, autonomous, seven years ago I had to register myself directly at the Chamber of Commerce. However, we were not allowed to determine our own price, we were not allowed to decide a lot of things on our own. Decisions will be made without our contribution. And we have to be that entrepreneur, we have to employ people and subsequently pay value added tax, but as general practitioner we are exempted from paying value added tax.” (Customer 2, General practitioner)

“Actually it is somewhat crazy, for us there is little to invest, in so far I am knowledgeable. In fact, we are mainly healthcare provider, even as you are and this is something far away. However, we are required to be busy with it more and more. While, if I speak for myself, we are not experienced with it, we want to provide healthcare.” (Customer 2, General practitioner)

The customers' comments indicate that for customers it is very challenging to find the right balance between providing care (as their core business) and the remaining activities to manage the

organization, which are essential for the continuity. Moreover, what about supply-chain collaboration with parties such as a municipality, which are not familiar yet with this kind of collaboration. These municipalities are struggling with their role, in which they are responsible for purchasing healthcare services. Furthermore, there is pressure on the acquiring of new cash flows, which can be achieved by for example, entering into dialogue with municipalities to apply for grants:

“Actually, the challenge relates to looking out for new cash flows, apart from health insurance organizations. And to identify your uniqueness as organization, or in our case as being a health centre, because that is one of the reasons why we started with this. To see if you could co-create products with people who are focusing more on adapting to that market. People who would like to accomplish that patients will be at the right time in the right place, observed by the right people.” (Customer 3, Physiotherapist)

Moreover, a customer provided the example of a programme that illustrates the shift from curative to preventive healthcare. However, as a mean to finance it on the long run the customer is forced to enter into dialogue with municipalities to apply for grants:

“There is for example, a very nice national programme called ‘big move’, which means ‘shifting in behaviour’. Something which can be realized by a health centre, but requires money from the municipality. It involves not only preventive, but also given notice of the positive approach towards the behaviour of people. They make a kind of playing-field from things which people are unable to do and things which people are able to do and the curative part is not emphasized, it is about what one is currently still able to do. This is a very appealing treatment concept which can be rolled out further, but for this, money is needed. And this money will not be received from health insurance organizations.” (Customer 3, Physiotherapist)

However, as is mentioned by the majority of customers, a grant application could be a proper alternative for acquiring new cash flows, but there is no guarantee that the money will also be received for the coming years. It is evident that because of this, there is lot of uncertainty about the continuity of varied projects initiated by customers.

After emphasizing some of the key developments, customers indicated some challenges related to anticipating on these market developments. These challenges involve the kind of value proposition to formulate and communicate within the market, how to position yourself as an organization (i.e. acting more towards prevention), on which activities to focus and on which not, integrating specialists from secondary care into the primary care and how to facilitate and organize this internally and searching for opportunities to facilitate co-creation and reinforce each other. All challenges are related to the key term ‘organizing’, including ‘organizing alliances’, ‘organizing the organization’, ‘organizing your Finances’ and ‘organizing your strategic positioning within the market’.

Focus group 2

Referring to the current business environment of welfare organizations, customers emphasized a variety of key market developments and challenges. One customer indicated that the welfare organizations are subject to big financial changes, because of the following developments: grants are more insecure than in former times, the process of procurement and tendering through which their financial continuity is questionable and next to this, the diversity of clients and their

expectations towards the suppliers (i.e. welfare organizations). Moreover, customers listed the calculation of the integral cost price and the unreliability of the government. With regard to the role of the government, some customers emphasized the importance of lobbying and collaboration with the municipality, because of their dependency on the municipality. It could be the case that in the first year customers will receive remuneration for the things they did, while in the coming year the municipality decided to quit. Besides, the municipal authorities suggest the need for collaboration between different parties, but do not stimulate this by investing in products, such as new day care activities. One customer emphasized that if these collaborations have the purpose to raise money, investments are needed instead of healthcare budgets cuts:

“Only collaborating in this case, especially when the municipality asks for it, should raise money. However, if you want these collaborations to raise money, you have to provide insights about that in this case it holds ‘cost must go before benefit’. So, you have to invest in new products, like new forms of leisure activities, new day care activities you name it.” (Customer 5, Director welfare organization)

In addition, collaboration between different municipalities is executed to a certain extent, as explained by the supplier:

“Am I right, you are working for different municipalities and by the way you also, that the municipalities are positive about the reciprocal collaboration between varied municipalities, until they have got the feeling that they are paying €1 surplus to another municipality. This is something I come across with all the collaborations in my field of working, that mainly the municipality tries to avoid that the synergy is not divided equally. However, if it is the case that you would have 3% benefit as a result of the collaboration and the other party 97%, then still both parties take advantage.” (Supplier 2, Accountant-advisor)

Next to the challenges related to the role of municipalities, one customer mentioned that she was not dependent on the municipality but has to deal with a central care needs assessment team, which involved some entrepreneurial risk because of the fact that it will take several months before care funds are received. Furthermore, the trend of de-budgeting was stressed. While, in former times the government provided money directly to organizations, nowadays collaboration between the varied parties is encouraged and the government perceive all these parties as a whole and will allocate a specific amount of money, which need to be shared among the parties involved. Think of parties in the field of care, home care and welfare, which need to collaborate as main contractors and subcontractors. In accordance with the need to collaborate, the dividing line between care and welfare becomes less evident and these two types of organizations will interfere more and more in the future. As a result of which the rivalry will increase, less organizations will survive and thrive and more organizations are forced to merge. Finally, the supplier described the trend that the health insurance organizations want to collaborate with as little as possible parties.

4.2.5p. Role of the accountant-advisor

Focus group 1

The data revealed that customers face a variety of key market developments and related challenges to anticipate on these developments. These developments and challenges will also have its impact on the relationship between the customers and small firm business accountants-advisors and

more specific on the (potential) role of the accountant-advisor. One customer emphasized that at some point you will understand the role of an entrepreneur. However, it is of added value to be aware of the fact that you should get the expertise from external sources. These external sources can refer to financial experts like accountants-advisor, but also HR advisors. Moreover, another customer refers to the fact of being more practical oriented and sometimes wants to rely on a financial person who considers issues like 'how you planned to organize this', 'how will you deliver this', 'where do you see yourself in five years'. While customers recognize the need for an accountant, they have certain expectations of the (potential) role of an accountant that could create the condition for an accountant to also act like an advisor and be able to facilitate the co-creation of value. These expectations refer to among others, being proactive, looking over the shoulder of customers to support them upfront instead of later on when something already occurred and taking a fresh look at things. Besides, customers expect the supplier to think along with them, for example with drawing up of contracts by themselves or introducing a specialized party if the required knowledge is not in-house. An interesting remark is the emphasized difference between an accountant and a business economist:

"For us an accountant prepares the financial statement, which always looked good, but a business economist really observes 'what is the income and what are the expenses'. More like a liquidity budget and real liquidity, which is more something I prefer." (Customer 1, Physiotherapist)

In line with the aforementioned citation, another customer stressed that the accountant is mainly focused on the expenses and have no clear picture of the income, while customers expect an overview of the income and the expenses. With regard to the notion of being proactive, an example could be the preparation of a liquidity budget. Furthermore, with regard to market developments and to what extent customers expect suppliers to be fully aware of them, the customers vary in their expressions. While a customer mentioned that from his point of view an accountant does not need to know the ins and outs of the market, another customer stressed that it would be an advantage if accountants are familiar with the ins and outs. The latter one emphasized the importance of providing real-time information. Some examples of critical information about market developments refer to, the contracts that are common and the declaration system. Closely related to the expectations of customers with regard to accountants and the extent to which they are aware of market developments, is the expectation that accountants should understand the difference between the general entrepreneurs and healthcare entrepreneurs.

Focus group 2

Considering the expectations about the (potential) role of the accountant-advisor from the perspective of welfare organizations, these customers indicate varied expectations. The majority of the customers accentuated the importance of financial experts to unburden them, with regard to contract management, cooperation conditions (i.e. which relate to the increasing need for collaboration between varied parties), registration of financial responsibility. Besides, customers mentioned the term 'financial coach' and described multiple things a financial coach could do with regard to the aforementioned key market developments and challenges. These customer expectations are altogether perfectly described and summarized by the moderator:

"We would like to unburden ourselves upfront in collaboration with an accountant, by preparing us more together and combine different perspectives, especially with regard to the contact with the

government. Not only financially, but also legal, or more specific concerning grant applications. There are a lot of aspects that emerge. Whereas apparently the knowledge of the business is critical, but also the knowledge about stakeholders: who are involved, which issues could emerge. Whereby, indeed there will be big differences between start-ups and incumbent organizations regarding potential issues involved.” (Moderator 2)

Referring to the notion of unburden customers upfront, the supplier underlined that he actually never realized that it is in fact a way better to support customers upfront instead of later on. In fact, this is a trend which is already visible regarding funding applications within the profit sector. However, within the non-profit this is something which is not or rarely the case.

In addition, customers emphasized the expertise of the financial coach which can be of added value, next to the possibility of invoking the accountant whenever required on the basis of some kind of subscription. As is stressed in the aforementioned citation, customers highlight the importance of support with regard to the contact with the government. It is indicated that the financial expertise of an accountant is required to facilitate dialogue with the government (i.e. municipalities) and discuss varied issues, which are not only related to the healthcare content. Next to the financial expertise, the accountant should also understand how to effectively engage in negotiation with the government. In line with the notion of facilitating dialogue with the government, the supplier described the following:

“My experience about financial experts within the healthcare sector as well as within municipalities, is that they are actually not that skilled at all. But more as you outlined, ‘I got an assignment, I have to cut down €250.000 and if this will result in ruining twenty facilities, but I spend €250.000... Because it is not saving at all, it is spending €250.000 less on the short term... than I realized my goal.’ And in fact, then every good argument is difficult, but I indeed do believe that if you have someone next to you, from whom at least a layman says ‘he has the expertise and knowledge from’, then in any case you can enter into a discussion.” (Supplier 2, Accountant-advisor)

One customer indicated that it will vary between municipalities to what extent they are willing to enter into dialogue with their clients, to more or less jointly agree on the money clients will receive. It could be that municipalities think, to achieve a good result in first instance we allocate €50.000 but we offer €45.000. Through which ultimately municipalities will serve €5000, which is in the perception of the supplier absolutely incorrect.

At last, although the dividing line between care and welfare becomes less evident and these two types of organizations will interfere more and more in the future, there is not really intense competition, but a general willingness for collaborative partnerships. In line with the willingness to build successful partnerships and create mutual benefits, customers indicate that the financial coach could combine their knowledge about all the different care and welfare organizations and take a somewhat coordinating role.

4.2.6q. Description of services

Focus group 1

After describing key market developments and related challenges and the (potential) role of the accountant-advisor, this section will include some key words and phrases which are linked to the service provision of the small medium-sized accountancy firm. The data analysis reveals that the service provision can be described as reliable, committed and accurate. Besides, customers indicated

that with regard to the wage and salary administration, there is room for further improvement. A customer emphasized that as a healthcare provider you want to concentrate on your profession and not worry about such things. Furthermore, the importance of 'knowing your market/branch' is stressed by one of the customers. While it could be that within the profit sector it is not an issue for the customer to receive a bill after having a call of so to speak six minutes, within the healthcare sector it is something different. Therefore, the small medium-sized accountancy firm should critically reflect on their service provision and how these services are offered to customers, as described by a customer:

"And do you have to track time for six minutes or do you buy a total package? 'Know your market/branch and know the people' and then you will build a sustainable relationship. If it feels good I do not want to leave." (Potential customer 4, Physiotherapist)

Based on the aforementioned remark, the supplier probed if customers prefer to have a fixed fee for the statutory accounting services, which also incorporates some fixed margin for phone calls. The majority of the interviewed customers emphasized that it is pleasant to agree on a fixed fee, because by means of this, the expectations will be managed with regard to the size of the bill. Some customers already agreed on a fixed price and others will agree on this matter, in the near future. Customers refer to a total package including a fixed fee for personnel services, a fixed fee for preparing financial statements and so on. One of the customers stated that price is not the issue and he is willing to pay a certain amount. However, the requirement is to receive good products or services. So, it could not be the case that the wage and salary administration is not well-executed.

Finally, one last remark concerns some tips and tricks with regard to tax-related advice. So for example, when it is useful to invest in something. A customer indicated that currently this is mainly initiated by himself. He stated: *"I am willing to pay taxes, but I do not have to pay too much"* (Customer 3, Physiotherapist).

Focus group 2

For focus group 2 it holds, that two customers are only familiar with financial audits, while the third person refers to a potential customer. Besides, the customers who are only familiar with financial audits both have internally access to a good financial administrator, as a result of which the provision of information and management information will also be facilitated properly and there is no need for external support (i.e. services). One of the customer emphasized that given the execution of financial audits by the small medium-sized accountancy firm, they approached a competitor to act like a financial coach. So, basically the key words and phrases which are linked to the service provision of the small medium-sized accountancy firm are only related to the execution of financial audits. A customer mentioned that he received a message from the financially responsible person, that the financial audits are executed satisfactory and that the accountant involved is thinking along with them.

4.2.6r. The accountancy firm compared to competitors

Focus group 1

While, the former section includes some key words and phrases which are linked to the service provision of the small medium-sized accountancy firm, the moderator asked for a description how the small medium-sized accountancy firm can be characterized in comparison with competitors. Basically, customers indicate two important aspects, which refer to 'the consideration about what do you want to conduct in-house and what do you want to outsource' from the perspective of the customer and

the organization of a seminar about healthcare in collaboration with a municipality.

Referring to the first aspect, a customer described that another party provided a program for the wage and salary administration, which was equipped with more functions that support their secretary in executing more things personally instead of just filling in hours:

“The only thing... concerns the program for the wage and salary administration for which we also asked another party. Because our secretary was educated, we did accommodate this in-house. However, it appeared that she could execute a few tasks by herself, actually only filling in hours and that is it. For this, you do not have to be educated. And actually we agreed upon that the other party offered a package which was equipped with more functions.” (Customer 1, Physiotherapist)

This perfectly illustrates the importance of managing the expectations of customers and suppliers. Given that the customer already decided to educate their secretary to conduct certain things internally, it is evident that customer expects to outsource less and want to have a more extensive program. Reflecting on the suggestion of customers to offer a total package of services, the consideration about what customers want to conduct in-house and what they want to outsource should also be taken into account, by the small medium-sized accountancy firm.

The second aspect is something which is mentioned by a potential customer and in essence describes the purpose of organizing such a seminar, namely to combine expertise, deepen into relevant subjects and give expression to proactivity. However, as response to the second aspect the supplier emphasized that the small medium-sized accountancy firm already organizes these kind of seminars. Though, the seminars may involve other parties than a municipality, such as financial institutions. For the small medium-sized accountancy firm this information should be worthwhile, given the fact that a potential customer is not aware of all the efforts that have been put in the organization of these seminars.

Focus group 2

With regard to the characterization of the small medium-sized accountancy firm in comparison with competitors, the data reveals two important insights. First, the way in which a small medium-sized accountancy firm is characterized could be heavily dependent on the kind of accountant-advisor. While one accountant-advisor may be described as capable and pleasant, another accountant-advisor may be portrayed as incapable and so on. Second, a customer outlined the potential for a small medium-sized accountancy firm in educating a group of people (i.e. accountants-advisors) to become specialized within the dynamic field of healthcare. By doing so, the small medium-sized accountancy firm will probably be unique within its sector. This described direction is confirmed by the supplier and to some extent already implemented in practice, by making use of branch teams. However, for the small medium-sized accountancy firm the challenge remains to extend this specialization of accountants-advisors and focus on the external profiling within the market.

4.2.6s. Additional services

Focus group 1

This section focuses on the provision of additional services, which are mentioned by the customers, to better serve the needs of these customers. One of the customers indicate organizational advice as an additional service, more specifically it comprises advice related to organizational design and structure. Besides, another customer emphasized the role of the ‘preventive’ accountant, which

is in line with the shift from curative to preventive healthcare. With regard to acting 'preventive', accountants-advisor could for example, initiate customer contact and identify opportunities to improve their organization. This example entails the notion of proactivity and unburden customers upfront. Moreover, data analysis revealed that there is a trend in which customers are able and also willing to conduct more activities internally, think of the impact of and opportunities created by IT developments on statutory accounting services for example. For the small medium-sized accountancy firm it is about creating a total package of services, which are linked to each other and can be installed by customers personally, based on their own individual needs. This idea of creating a total package of services is extensively described by the moderator:

"When I am listening to you something pops into my head. You should have a few themes and for every theme you decide to turn off or turn on, so 'this theme is turned on, because I do not like it and it bothers me, accountant-advisor arrange this for me'. Another theme, 'which I will turn off, because I have the right people in-house, because we have reached the size that enables us to do so, and by the way there is someone who likes to do it, so I do not need your support'. It is about being aware of 'I have to organize/arrange something, this one will be turned off and this one will be turned on' whether it includes Finance, Management, HR, Grants, you could list the whole shop. So, what to turn off and what to turn on? But also keep in mind the comment that passed 'yes but wait a second, this is something which is conducted internally for a long time now, in the meantime we are able to this by ourselves. For example, with regard to the wages. Then the accountant-advisor has to turn off this theme.'" (Moderator 1)

Referring to the aforementioned citation, customers emphasized the importance of being continuously informed by its accountant-advisor. If a theme is turned off, then still the customer wants to be kept informed about urgent matters and developments with regard to this specific theme. The moderator refers to the 'signalling function' of accountants-advisors on different themes, such as Finance or HR. Finally, one last interesting remark is the statement of a customer that the small medium-sized accountancy firm is heading in the right direction.

Focus group 2

In accordance with the comments of the interviewed customers belonging to focus group 1, data analysis of focus group 2 reveals that also a potential customer refers to the offering of a total package of services, as a suggestion for additional services. By offering a total package of services a small medium-sized accountancy firm can include all their varied services. It seems that sometimes customers are not informed about the presence of some services, when these are offered individually. A potential customer suggests to offer a regular package and a starters package. Offering different packages for a determined price, including unlimited telephone calls, could result in a different kind of service provision. Customers will more often ask for advice and expect from accountants-advisors to focus more on their proactive role. The potential customer illustrated the concept of a total package of services by comparing it with a car-wash:

"Just as with a car-wash, you can choose a rims cleaner, wash, paste wax, foam wax. Well, then you have five packages and you can choose 'what do I want, only this or this... or do I want also that, which is a tenner more expensive, let's also take it'. Oh, is that a tenner more expensive, than I will also include HR, you know. And that will be your package, from which you will create your service provision for in

the future.” (Potential customer 6, Director welfare organization)

The supplier totally agreed with the notion of a total package of services and understands that customers want to have certainty about their future bill. In addition, the supplier emphasized that nothing is more unpleasant as an unexpected bill.

4.2.7t. Expectations of customer and supplier

Focus group 1

In the services sector there is a tendency that customers are more and more involved in the co-creation of services. In the current global, dynamic and interactive business environment, customers become more empowered, networked and engaged and have more and more information at their disposal. As the market becomes a forum for conversations and interactions between consumers, consumer communities and firms, it offers increasing possibilities for co-production. Referring to the accountancy sector, small medium-sized accountancy firms face the challenge to facilitate the co-creation of value. To be able to do this, both customers as well as suppliers need to express and communicate their expectations, through which potential value conflicts could be avoided or managed.

So, basically there are different things that customers may expect and the supplier should act accordingly and there are different things suppliers may expect and customers should act accordingly. The process of managing expectations and potential value conflicts need to be directed and perceived as a two-way process, just as with proactivity. By reflecting on the data, a customer indicated that he expects the supplier to thoroughly understand their course of action, which future direction and so on. He adds that this understanding should be based on their mission and core values. The moderator summarizes, if it is stressed ‘we co-create’ the customer may expect the supplier to ‘ask me about it’, while the supplier may expect the customer to ‘tell me about it’. One of the customer stressed that they need a person who is responsible for HR, just as a person who is responsible for Finance, only the latter one is external. So, they collect information and are willing to pay for this expertise, if it is really ‘expertise’. One of the expectations expressed by a customer is the expectation that the accountant-advisor is honest and straightforward and tries not only to be politically correct, without sufficiently supporting the needs of the customer. Another expectation which is frequently mentioned by customers, is not to receive a bill after one mail or phone call, or the supplier should manage the expectation upfront to inform the customer about a potential bill. The accessibility has to be improved and there should be absolutely no restriction to call us, as the supplier responded. The supplier proposed that a fixed fee may be a proper solution, to become more accessible. Moreover, regarding the preparation of financial statements a customer emphasized that her expectations are concerned with facilitating dialogue about the financial statement and brainstorm together to come up with good ideas and to take care of the follow-up. Furthermore, the moderator concluded from a description of a customer that in fact an accountant-advisor should ask customers about the activities they want to outsource and do not want to conduct internally, because it is not part of their profession. The data indicate varied activities customers want to outsource and which need to be executed by their accountant-advisor, such as keeping employees satisfied and all the activities which are related to Finance. More specific, with regard to keeping employees satisfied, an accountant-advisor could provide a prescription of ‘how to stimulate my workforce to...’. When considering all the activities which are related to Finance, except for the correctness of the income and costs, customers emphasized that they only want to receive a complete overview by means of pushing a button to see

their current status. Reflecting on the activities customers want to outsource, a customer emphasized the following:

“What I want to outsource I already placed here. The things I conduct personally, such as currently, I think I will continue to do in the future. I want to pay all the things by myself, to keep an eye on what is going on.” (Customer 2, General practitioner)

When customers outsource activities to an external advisor, such as an accountant, they expect that this advisor will give them a calm and pleasant feeling. One of the customers emphasized he understands that in return for this feeling, customers have to pay a certain amount of money. It is about realizing benefits for both parties (i.e. reciprocity). To illustrate the calm and pleasant feeling a customer expects to receive from an accountant-advisor, a customer compares it with the role of a secretary within the organization:

“Once, a long time ago, we hired a secretary, the first secretary. And why did we hire this secretary? Because you do not want to answer the phone, when people want to subscribe they look for a desk, but then you have to leave in between. Then I thought ‘is this an investment on the basis of I will become better’. Well, still I am very happy that I have support personnel, because they take work off your hands. And that secretary is the most important person in our organization. The secretary welcomes people and only brings benefits in different areas. This gives you a calm feeling and I expect to get this feeling also from a financial person, who costs money.” (Potential customer 4, Physiotherapist)

The moderator described that it is remarkable to see and also challenging that with regard to the expectations of customers towards suppliers, accountants-advisor are characterized based on terms such as ‘money, Finance, Financial statements’. Partly also on terms such as personnel and salary administration and a few things are not included.

Focus group 2

Referring to the challenge for the small medium-sized accountancy firm to facilitate the co-creation of value, ‘co-creating experiences’ is an essential requisite. The co-creation of expectations cannot be realized with a wait-and-see attitude. A customer stated that to start, both suppliers as well as customers need to understand their interest in a good result, a combined interest and they want go for it. The entrepreneurial risk has to be dyadic and not only one-sided. The customer explained that he felt the entrepreneurial risk as being one-sided, because he only received bills. Besides, he prefers to have a more interactive person, which is in his opinion possible with a financial coach, who will also call ‘listen, we will do it this way or we will do it that way’. It is important to take jointly advantage of it and be happy together. The customer stated the following:

“Because from my point of view with regard to co-creation, if you want to do it good than you put the combined interest into a new product.” (Customer 5, Director welfare organization)

The supplier described, instead of taking a wait-and-see attitude, direction should be giving to proactivity, as a two-way process between the customer and the supplier. Besides, the majority of the customers indicated that it has to be a shared responsibility instead of demand and supply. Such a shared responsibility, through which suppliers will act more proactive, for example by calling customers, can only be realized with help of a fixed fee. This is illustrated as follow:

“But this can only be realized if you say for example, ‘for a monthly fee of a specific amount, you are responsible for an excellent financial management’. In this way the accountant will get a completely different role, because he gets the assignment ‘hey, that is your budget, so you have to take care of the complete organization, which need to be excellent’.” (Potential customer 6, Director welfare organization)

As a response to the suggestion for a shared responsibility, one of the customer asked if this will not comprise the integrity of accountants. The supplier explained that it is mainly concerned with their independence. As is outlined by the customers, everything seems strictly separated and one person is completely dedicated to you. However, in practice it is somewhat different. In case of a financial audit, off course an accountant could provide some assurance, which means basically ‘I have seen it, I examined it and in my opinion, these scenarios or these developments are right’. As is emphasized by the supplier, accountants could provide that extra approval, through which things will be more underpinned. However, the discussion about the independency remains. If you ask the accountant ‘do you want to execute those payments and consequently also provide an approving statement’, off course everybody understands that this is not correct. But, just as aforementioned, the supplier indicated that it is possible to support customers upfront, through asking ‘where could I support’ and offering to look over the customer’s shoulder for figures and trends and so on. And as mentioned by the supplier, if it provides friction with regard to the role of an accountant and its independence, you will perceive it quickly. Most important is to facilitate dialogue and exchange knowledge and experiences. In addition, the supplier agreed with one of the customers, that if there are ten comparable cases, it should be possible to make use of best practices.

The essence of the notion of shared responsibility and ‘co-creating experiences’ is summarized by the moderator:

“And what matters off course is not only that you can make a call, but that you will structural provide information from both sides. Because in the end, well the requisite is that the accountant has the knowledge of your branch and your challenges, but ultimately both parties have to provide information to each other continuously.” (Moderator 2)

Referring to the use of best practices, a customer responded that this relates to proactivity. The customer indicated that he would like to see that this proactive role is extended, which tends more and more to the ability of an accountant to predict important developments. In addition, a customer suggests that the supplier could inform customers about their predictions with regard to new market developments by organizing a networking event, for example in collaboration with the government/municipality. Given the fast and rapidly changing market developments in recent times, the supplier stressed that the accountant should better define the real needs of customers.

Reflecting on the possible use of a fixed fee, managing customer expectations as well as supplier expectations is of critical importance. To prevent disappointments and value conflicts it is essential to establish ‘this is what I can do’ and also be transparent about the conditions, as emphasized by the supplier. For example, if a customer expects an accountant to be present forty hours each week for a fixed fee of €500 per month, it could be that an accountant has a different expectation with regard to a fixed fee of €500 per month. So, expectations need to be managed to prevent disappointments and potential value conflicts. In line with the aforementioned, a customer

used a metaphor of a psychologist and described the following:

"If you introduce a metaphor of a psychologist or whatever, you will have an intake and the psychologist assesses 'well drop by twice a year, because it is worse than I thought'. I think that is something, being a financial coach, which should be tailored... And during the meeting you talk about the expectations. In my opinion, the notion of proactivity needs to be documented as detailed as possible, as well as the win-win proposition. In the end, both parties strive for reciprocal benefits." (Customer 5, Director welfare organization)

So, basically the interviewed customers' comments suggest that if a customer requires support, an intake with the accountant has to take place, after which a package is chosen, for which a contract is formulated and on the basis of what the customer purchased, the most proper financial coach is assigned.

4.2.7u. Customer experiences

Focus group 1

Next to the aforementioned trend, in which there is a tendency that customers are more and more involved in the co-creation of services, to purchase services customers are shifting from the importance of 'price' of services to relationships and the 'experiences' with the services/service provider. The moderator emphasized that with regard to the accountancy sector, instead of thinking in terms of 'hours', why not thinking in terms of 'knowledge' and 'experiences' which are provided by accountants-advisors. Customers are asked for their reflections on terms, such as hours, knowledge and experiences.

The data indicate 'price' has no role to play, but it is about the benefits to be received. While suppliers will receive certain benefits, customers want to know which benefits they may expect to receive. A customer emphasized its unpleasantness with respect to time-based billing, which means that a customer receives a bill, by which the amount of money is highly dependent on the number of hours spent. Apparently, the expected benefits to be received are not obvious from the perspective of the customer. So, in case of delivering a package to customers, customers need to know what are their expected benefits to be received. For example, by means of preparing a financial statement and discussing it, a customer understands the focus for the coming year, because the customer knows the expected benefits to be received from it. Next to the importance of the benefits to be received, another customer mentioned that it would be pleasant if the accountant thinks along about for example, what is favourable for the customer to invest in at the moment. While, the accountant has the required knowledge, someone else pointed out that it was favourable for the customer to invest in a particular car before the end of the year. Though, the accountant mentioned when it was not the right move to invest in that particular car and when it could be a wise investment, he did not proactively inform the customer when to invest in that particular car.

Referring to the unpleasant experience of a customer, by receiving an unexpected bill 'directly' after he made a phone call to the accountant, this experience will heavily influence the frequency of upcoming phone calls. Moreover, this experience with the service/service provider will also have an impact on the purchasing of (additional) services. Reflecting on a customer statement with regard to the unpleasant experience of receiving a bill, by which the amount of money is highly dependent on the number of hours spent and not for example predetermined at a fixed rate, it can be concluded that in this case there is a correlation between 'price' and 'experience', which is considered important

for customers in purchasing services. To explain, while customers will experience an unexpected bill as highly unpleasant, the bill will be interpreted as relatively expensive given the average hourly pay of an accountant.

To conclude, the following citation indicate the importance of relationships and experiences of customers, which need to be embraced by organizations to differentiate themselves:

“Nowadays the focus is more on the correctness of the documentation, but the humanity disappears more and more and this is something that worries me.” (Customer 2, General practitioner)

A customer emphasized that the notion of humanity is embraced by the small medium-sized accountancy firm, by looking for interactions and connections with each other. Besides, building trust with each other is very important. A customer phrased the following:

“Yes you need each other, we need you, but you also need us and yes let’s agree on this.” (Customer 2, General practitioner)

Focus group 2

One of the key things mentioned by customer within focus group 1, is the experience of receiving an unexpected bill after making a phone call. In accordance with this finding, data analysis of focus group 2 indicate that customers become somewhat reserved in asking for advice. Given the fact, that they know they will receive a bill. Therefore, if customers become somewhat reserved it is possible that this will have a negative impact on the purchasing of services.

4.2.7v. Informing

Focus group 1

This section elaborates on how customers inform suppliers about their expectations. The moderator stated that basically, instead of (only) thinking ‘I expect the accountant to be proactive’, customers should think of how to inform suppliers and act proactively from their own role as being a customer.

The data reveals different alternatives of how customers inform the suppliers, such as by making a phone call or during the discussion of the financial statement. With regard to the discussion of the financial statement, a customer described that they discussed the financial statement and brainstormed about things which can be made somewhat easier. However, the follow-up was missing from both parties. Customers and the supplier both indicate that this is a two-way process, in which proactivity is of central importance. The following citation illustrates such a two-way process:

“Both parties need to invest. I mean if you say at a given moment ‘do you have to make an invoice for this again’ or do you have to say ‘I will drop by, once every three months for example, whatever you like: are there any desires?’. However, we have to think ‘soon the accountant will drop by eventually’ or we can have a phone call once in a while. With all the partners discussing together about potential issues... We will meet with each other, ‘at the moment we observe this and this’, ‘how can we...’.” (Potential customer 4, Physiotherapist)

Although, it is evident for both parties that this is a two-way process, a customer emphasized that he thinks twice before calling or mailing the accountant, given the money it will cost him. While

he understands the matter, he did not expect to receive a bill for a few questions. The supplier recognizes this and indicated that for an accountant to be more accessible, a fixed fee could be a potential solution. From the perspective of the supplier, there should be no restriction for the customer to get in touch, which is currently the case when customer receive a bill after making a phone call. Referring to this two-way process, a customer described that it is less of interest to him to initiate the contact with the accountant. Then it would be nice if the accountant takes initiative and asks sometimes 'what's up with that'. However, the purpose of contacting the customer needs to be clear. The customer does not expect the accountant to ask out of the blue 'where do you need support'. However, for example when the supplier recognizes some remarkable trends in the figures, the customer expects the supplier to inform him. To illustrate, a customer indicated that he delivers every month his own financial file and an overview from a specific bank to his accountant. Later on he was informed that he will receive a substantial after-tax, through which he has to pay a down payment and an after-tax in half a year. Given that he organized and delivered everything on time and well-structured, he expected to be warned in an earlier phase. So, he could spread out the payment over a time span of one year.

Focus group 2

To inform each other on a structural basis, the data revealed that customers and supplier need to be in a continuous dialogue and understand and act conform their shared responsibility. The supplier emphasized that only value can be created if a dialogue is facilitated and as a supplier it is required to have a thorough understanding of the business of a customer. In addition, by facilitating continuous dialogue with customers and interact frequently, the accountant-advisor as well as the customers could benefit from the respective network of one another. The supplier outlined a situation when to benefit from the network of each other. In case a problem is identified, it is assumed that the supplier will consult his network to look for a proper candidate to solve this problem and vice versa. If a proper candidate is selected, the supplier could facilitate a dialogue between the customer and the selected candidate. While, the aforementioned described a situation when the supplier consulted his network to support the customer, a customer could also consult his network to support the supplier. For example, when a customer within the healthcare sector is in contact with another healthcare organization, the customer could bring forward towards the other organization to have a conversation with their accountant. Consulting your personal network in such way, with the purpose to support one another, is based on the mutual beneficial experiences associated with the relation between supplier and customer. In relation to how both parties could benefit from the respective network of one another, the supplier stressed: *"If you talk about co-creation, that is also co-expanding, which is not a concept within the value proposition (canvas). However, co-expanding is maybe even more valuable."* (Supplier 2, Accountant-advisor)

4.2.7w. Feedback

Focus group 1

Referring to the different alternatives of how customers inform suppliers about their expectations, there could be a gap between perception and expectation. In other words, there exists a difference in the value as expected by the customer and the value which is perceived by the customer. Ultimately, by facilitating varied possibilities for receiving feedback of customers, the value as perceived by customers could be assessed even as a potential gap between perception and expectation.

With regard to the possibilities for receiving feedback of customers facilitated by the supplier, customers indicate that there are sufficient possibilities for providing feedback. Besides, customers feel free and confident to provide feedback. However, while there are varied possibilities for providing feedback, a customer stated that he did not recognize the proactive search of the supplier for receiving feedback:

“Well, I do not know if you are proactively searching for receiving feedback, I did not recognize that, but if want to provide feedback this is possible.” (Customer 2, General practitioner)

Moreover, the response of the supplier is dependent on the person who is involved in the process of receiving feedback, as described by a customer. With regard to the feedback provided concerning the salary administration, which was not working properly, a customer experienced that one supplier representative was willing to engage with and act upon the provided feedback, while another supplier representative (who was considered the most important) did trivialize the provided feedback. Although, this experience, the customer emphasized that he feels free and confident to return to this matter during the next meeting and give his feedback. In addition, one of the customers compared this process of providing and receiving feedback with their own consulting-hours, in which the patient is considered the pivot. This comparison involves both the notion of ‘care’ and relates more to the soft side. In response to this comparison and the notion of co-creation, the moderator stressed that the small medium-sized accountancy firm and their customers could learn a lot from each other.

Providing feedback and receiving feedback is a two-way process, a continuous dialogue between customers and accountants-advisors. Referring to the notion of the proactive search for receiving feedback, the supplier asked if customers are always open for discussion given that they are very busy as healthcare providers. Basically, the setting relates to drinking a cup of coffee to catch up on the recent developments for example. A customer indicated that it is somewhat ambiguous. On one hand this proactive attitude is pleasant and it is good they want to keep abreast, but on the other hand it will cost time and effort, as a customer, to deepen your understanding of something. The majority of the customers emphasized that they are willing to spare some time for the accountant-advisor, because they like it when somebody will drop by frequently. By doing so, the accountant-advisor will be informed about the dynamics occurring in the organization. Finally, it is stressed by one of the customer that it would be pleasant if there is one supplier representative involved, who has a thorough understanding of the organization. Currently, different persons are involved, through which the provision of feedback is less structured and well-organized, with the potential risk of lacking a follow-up activity.

Focus group 2

Given the progress of the focus group discussion and subjects covered by the moderator of focus group 2, this subcategory is not covered, through which data analysis cannot be conducted.

4.2.7x. Service provision

Focus group 1

In the end, the small medium-sized accountancy firm wants to offer a certain package of services in which services are bundled together from a customer perspective. This package of services should represent the complete service provision of the small medium-sized accountancy firm. The basic idea is that this package of services will fulfil the individual needs and expectations of customers.

The moderator listed the diversity of services provided by the small medium-sized accountancy firm and wanted to know if customers recognized a service or not.

The majority of customers recognize the financial administration, interim reports and preparation of financial statements including tax declarations. The same holds for the facilitation of management information. With regard to facilitation of management information, one of the customers refer to the use of benchmarking, while another customer did not recognize that this service is offered. The latter one emphasized that he does not blame the accountant for this, because currently the customer is just for one-year owner of a doctor's practice. However, for the remaining five years, he indicated that he frequently asked to benchmark his business performance, while the answer he received was most of the time not valuable: 'your performance is not bad, it is moderate'. Besides, budget preparations are recognized by the majority of the customers, but are executed mainly by themselves. Referring to 'financial instant advice', the supplier described that it refers to points of advice, which are gained by the organization as instant advice. Basically, these points of advice could be discussed during a meeting with the customer and they will be not offered to the customer as a complete package of financial instant advice, after which the variate points will be covered structurally. In response to the aforementioned, the moderator wondered if customers are also sufficiently informed about this service (provision). A customer stated: *"Apparently not, because nobody is responding"* (Customer 3, Physiotherapist). The moderator reflected on this matter by emphasizing that although the supplier is offering the service, if he does not tell that this is an investment in the relationship, then the customer is not informed. In addition, he illustrated this with the following example:

"A while ago, I brought the bike of my son to the cycle repairer, subsequently I retrieved the bike and received a bill from him. So, I already grabbed my bank card for chipping and saw on the bottom of the bill an amount of €0. On the bill he listed, the materials used, 15 minutes of work. In other words, €40-€40=€0. I said to him, why do you give me a bill of €0. Yes, he said: 'I want to make clear to you that I invested in you'." (Moderator 1)

It is about creating customer awareness by clarifying 'what you are doing and why', because something which can be evident from the reasoning of a supplier, is not always obvious for someone to whom the service is provided.

Returning to some additional services, customers emphasized that they are familiar with the salary administration and HR/personnel advice. One customer stressed the new feature of logging in personally, which is enabled by the application of Nmbrs. More specific, with regard to HR/personnel advice, think of absence control, dismissal rights and working conditions. And strategic workforce planning, which includes support with employment for now and in the future. Only one of the customers indicated that he did not recognize these services, as provided by the small medium-sized accountancy firm and emphasized that these services are executed in-house. Furthermore, he explained that he did not really miss it. With respect to organizational advice, IT package selection and IT security, a customer mentioned he did not recognize these services and emphasized that these are probably also less applicable to him. Organizational design and development, which comprise the realization of strategy in practice, seem to be recognized by a customer. However, the customer indicated that this service is frequently provided by another organization. They had to fill in a sort of personality test, on the basis of which their internal organization was designed. Finally, as aforementioned, tax-related advice and the preparation of financial statements is recognized by the

majority of the customers.

Focus group 2

As depicted in subcategory 6q. *description of services*, focus group 2 is composed of two customers, who are only familiar with financial audits, and one potential customer. The potential customer is in the start-up phase and acts as a pilot for an organization dealing with office administration. These customers all have little knowledge of and experience with the complete service provision of the small medium-sized accountancy firm. As explained before, the supplier indicated that this is not illogical because the two customers have internally access to a good financial administrator. As a result of which the provision of information and management information will also be facilitated properly and there is no need for external support (i.e. services). Furthermore, from the viewpoint of the supplier all the services which make up the complete service provision, ultimately need to be tailored to the individual needs of customers. This relates to the notion of creating a total package of services, which are linked to each other and can be installed by customers personally, based on their individual needs. The potential customer indicated that currently there is a list of varied services. However, a lot of these services are not known yet. Given the fact that customers are not always informed about the presence of some services, when these are offered individually, the small medium-sized accountancy firm can offer a total package of services in which the services are bundled together.

4.2.8y. Customer profile

Focus group 1

Finally, as a last topic of discussion the moderator introduced the value propositions canvas. By means of facilitating dialogue between customers and supplier and accumulate all the information from the previously described categories and subcategories, which comprise the dialectical process of developing reciprocal customer value propositions, customers and supplier jointly completed the value proposition canvas (see Appendix 4a and 4b). The value proposition canvas is composed of the *value map* and the *customer segment*, from the perspective of the small medium-sized accountancy firm. This section involves the *customer segment* and describes a specific customer segment (i.e. healthcare organizations) in the business model of the small medium-sized accountancy firm. The customer is divided in jobs, pains and gains.

First, the jobs include exercising and focusing on their profession, take the role of a healthcare entrepreneur, contracting health insurance organizations and delivering the required numbers and figures to the supplier on time. With regard to exercising and focusing on their profession, it encloses some things which customers like and some things which customer do not like. This relates to the idea of creating a total package of services, which is extensively described by the moderator. The moderator emphasized that accountants-advisors should deliberately enter into dialogue with customers to determine 'which theme to turn off or turn on'. Besides, this has to be arranged at another moment then with the discussion of the financial statement.

Although, all customers pertaining to focus group 1 are providing care, they are entrepreneurs. Actually, they are not so different from every other entrepreneur, because the entrepreneurial spirit connects them. However, 'how to do', 'in which context' and 'with who', also with regard to personnel, that makes a difference, as explained by the moderator. Moreover, concerning the developmental stage of an organization, this differs for every customer. That there are mutual differences among care providers is also stressed by a customer:

“Off course we are all providing care, but if you look to every organization separately, I think you recognize big differences among them.” (Customer 3, Physiotherapist)

Second, the pains are closely related to the key market developments and the challenges described to anticipate on these developments. The pains comprise among others the passive role of a healthcare organization, the changing demand for healthcare from curative to preventive, a shifting balance from secondary care to primary care. This latter results in an increasing workload and urgency to integrate specialists from secondary care into the primary care. Besides, customers are more and more involved in the co-creation of services with their own customers (i.e. co-creation). Other pains relate to the contract with health insurance organizations, the dependency on politics, in which customers have little or no input and things will be decided for them, in combination with entrepreneurship as expected by the government. Moreover, customers are expected to act as an entrepreneur and manage their financials, personnel and supply-chain collaboration with parties such as a municipality. Next to the aforementioned pains, customers are struggling with the kind of value proposition to formulate and communicate within the market, organizing their strategic positioning with the market (i.e. acting more towards prevention) and choose on which activities to focus and on which not. All these pains (i.e. challenges) are related to the key term ‘organizing’, including ‘organizing alliances’, ‘organizing the organization’, ‘organizing your Finances’ and ‘organizing your strategic positioning within the market’.

Third, the gains are closely related to the role of the accountant-advisor as aforementioned. The gains among others consist of providing real-time information (e.g. figures, contracts which are common), advising and supporting customers with drawing up of contracts by themselves or introducing a specialized party, if the required knowledge is not in-house. Besides, customers want to benefit from someone who is thinking along with them, someone who takes a fresh look at things and someone who is looking over the shoulder of them to support them upfront instead of later on when something already occurred. In addition, other gains relate to providing an overview of the income and the expenses, unburden customers and by means of co-creation, understanding and acting conform a shared responsibility jointly realizing services.

Focus group 2

After describing the jobs, pains and gains for focus group 1, this section elaborates on the three key elements with regard to focus group 2.

First, the jobs are related to the role of welfare organizations, their core business and the activities involved. Although, all three customers are considered to be welfare organizations, the specific role, core business and activities differ for each of them. While, the two customers are more focusing on supporting people, in order that these people can give direction to their own living situation, the potential customer is more focusing on unburden people. Besides, for the two customers it holds that there is also some preventive element involved.

Second, with regard to the description of pains, these pains are closely related to the key market developments and the challenges to anticipate on these developments. The pains include, the role of the government/municipalities; the application of grants to receive remuneration; the dependency on a central care needs assessment team; the trend of de-budgeting and the size of customers in comparison with health insurance organizations. To explain the role of the government/municipalities somewhat more specific, it relates to the unreliability of the government, the dependency on municipalities for receiving remuneration, the increasing need for collaboration

between parties as is emphasized by the government/municipalities, while healthcare budgets are cut.

Third, reflecting on the gains, these are closely related to the role of the accountant-advisor as described in subcategory 5p. *role of the accountant-advisor*. The following gains are listed, healthy organization; unburden customers upfront; think along with customers; proactivity; expertise and shared responsibility.

4.2.8z. Value map

Focus group 1

This section involves the *value (proposition) map* and precisely describes the characteristics of a specific value proposition in the business model of the small medium-sized accountancy firm. The value proposition is divided in products and services, pain relievers and gain creators.

First, referring to the products and services of the small medium-sized accountancy firm it includes the following: financial administration; interim reports; preparing financial statements, including tax declarations; providing real-time management information; preparing budgets; benchmarking; financial instant advice; salary administration and HR-related management information; HR-advice, organizational advice, tax-related advice; financial audits and related activities.

Second, the variate pain relievers include, acting proactively, which is closely related to the role of the preventive accountant; transparency about the bill and accessibility; proactive search for receiving feedback; unburden the customer with regard to activities which are not related to providing healthcare, such as financial statements, satisfying employees and so on. In other words, activities an entrepreneur is not experienced in or capable of executing these and which can be executed by the small medium-sized accountancy firm. For the supplier it is very important to be critical if their added value is externally known and communicated sufficiently, without the notion that for every contact and minute the customer spoke to the accountant a bill is send.

Third, considering the gain creators, they consist of acting proactively; the role of thinking along with customers; be informed about the key market developments/possess relevant knowledge of the sector; thoroughly understand the course of action of customers, which future direction and so on, from their core values, mission and vision; be transparent, reliable, committed and accurate; take care of the follow-up of things previously discussed with customers; drop by frequently; next to the financial statement add a paper with points of interest; offering a total package of services, including a fixed fee for the statutory accounting services; tips and tricks with regard to tax-related advice; bring attention to the business advisory services and make these visible to customers.

Focus group 2

After describing the products and services, pain relievers and gain creators for focus group 1, this section elaborate on the three key elements with regard to focus group 2.

First, referring to the products and services of the small medium-sized accountancy firm it includes the following: financial administration; interim reports; preparing financial statements, including tax declarations; providing real-time management information; preparing budgets; benchmarking; financial instant advice; salary administration and HR-related management information; HR-advice, organizational advice, tax-related advice; financial audits and related activities.

Second, with respect to the pain relievers, these comprise knowledge of the sector as well as knowledge of the varied stakeholders and encouraging collaboration.

Third, referring to gain creators, customers and supplier discussed and agreed on the following. Customers want to have a financial coach and consequently a healthy organization in financial terms, without worrying about issues which are related to money. So, basically suppliers need to unburden customers financially. Besides, customers emphasized the advantage of invoking the accountant whenever required on the basis of some kind of subscription for a total package of services. The potential customer mentioned for example a subscription fee of €500. The supplier indicated that he was thinking of roughly the same amount and underlined the importance of making such things negotiable:

“But it does not differ... when you said something about ‘unburden with a subscription and that kind of things’, I was not thinking of €3000 or €100, but roughly about the same amount. So, basically our thoughts are not that different, but we have to make such things negotiable.” (Supplier 2, Accountant-advisor)

Moreover, if a small medium-sized accountancy firm offers for example a regular package and a starters package, customers could subscribe for a year and could decide later on if they want to raise it. In addition, in accordance with the notion of joint proactivity and shared responsibility, the supplier described that just as with health insurance packages an assessment is needed for every individual customer how frequently a specific service is used. For example, when a customer does rarely makes use of HR services, because their HR function is organized that well, maybe that specific service needs to be excluded from the subscription and offered as an individual service. By doing so, both parties will benefit. Furthermore, given the fact that all the three customers are acting somewhat solely and do not really have a sounding board, the potential customer indicated the added value of networking and attending networking events. By means of attending networking events, customers and suppliers could join and facilitate discussions, for example with regard to recent market developments.

Category	Subcategory	Illustrative quotes and short descriptions
5. The current business environment	5o. Key market developments	<p><i>The data indicate that there is a diversity of market developments healthcare organizations have to adapt to, now and in the future: the demand for healthcare is changing, i.e. from curative to preventive; customers are more and more involved in the co-creation of services with their own customers; the contract with health insurance organizations and the dependency on politics, in which customers have little or no input and things will be decided for them; many organizations feel cornered and are enforced to merge; customers are more and more forced to be and act like an entrepreneur (Focus group 1).</i></p> <p><i>After emphasizing some of the key developments, customers indicated some challenges related to anticipating on these market developments. All challenges are related to the key term 'organizing', including 'organizing alliances', 'organizing the organization', 'organizing your Finances' and 'organizing your strategic positioning within the market' (Focus group 1).</i></p> <p><i>Referring to the current business environment of welfare organizations, customers emphasized a variety of key market developments and challenges: welfare organizations are subject to big financial changes; the calculation of the integral cost price and the unreliability of the government; the importance of lobbying and collaboration with the municipality; the municipal authorities suggest the need for collaboration between different parties; healthcare budgets cuts/the trend of de-budgeting; health insurance organizations want to collaborate with as little as possible parties (Focus group 2).</i></p>
	5p. Role of the accountant-advisor	<p><i>While customers recognize the need for an accountant, they have certain expectations of the (potential) role of an accountant that could create the condition for an accountant to also act like an advisor and be able to facilitate the co-creation of value. These expectations refer to among others, being proactive, looking over the shoulder of customers to support them upfront instead of later on when something already occurred and taking a fresh look at things. Besides, customers expect the supplier to think along with them (Focus group 1).</i></p> <p><i>Considering the expectations about the (potential) role of the accountant-advisor from the perspective of welfare organizations, these customers indicate varied expectations. The majority of the customers accentuated the importance of financial experts to unburden them, with regard to contract management, cooperation conditions (i.e. which relate to the increasing need for collaboration between varied parties), registration of financial responsibility. Besides, customers mentioned the term 'financial coach' and described multiple things a financial coach could do with regard to the aforementioned key market developments and challenges. At last, referring to the fact that the distinction between care and welfare organizations becomes less evident and these two types of organizations will interfere more and more in the future, customers indicate that the financial coach could combine their knowledge about all the different care and welfare organizations and take a somewhat coordinating role (Focus group 2).</i></p>
6. The service-interaction process	6q. Description of services	<p><i>The data analysis reveals that the service provision can be described as reliable, committed and accurate. Besides, customers indicated that with regard to the wage and salary administration, there is room for further improvement. Referring to tax-related advice, customer indicate the need for some tips and tricks, for example when it is useful to invest in something (Focus group 1).</i></p> <p><i>The key words and phrases which are linked to the service provision of the small medium-sized accountancy firm are only related to the execution of financial audits. A customer mentioned that he received a message from the financially responsible</i></p>

		<i>person, that the financial audits are executed satisfactory and that the accountant involved is thinking along with them (Focus group 2).</i>
	6r. The small medium-sized accountancy firm compared to its competitors	<p><i>Basically, customers indicate two important aspects, which refer to ‘the consideration about what do you want to conduct in-house and what do you want to outsource’ from the perspective of the customer and the organization of a seminar about healthcare in collaboration with a municipality. Referring to the first aspect, a customer described that another party provided a program for the wage and salary administration, which was equipped with more functions that support their secretary in executing more things personally. The second aspect, which was noted by a potential customer, refers to the organization of seminars in collaboration with a municipality. A competitor organized such a seminar, while the small medium-sized accountancy firm yet did not. However, the potential customer is not aware of all the efforts that have been put in the organization of similar seminars by the small medium-sized accountancy firm. Although, these involved other parties than a municipality (Focus group 1).</i></p> <p><i>With regard to the characterization of the small medium-sized accountancy firm in comparison with competitors, the data reveals two important insights. First, the way in which a small medium-sized accountancy firm is characterized could be heavily dependent on the kind of accountant-advisor. While one accountant-advisor may be described as capable and pleasant, another accountant-advisor may be portrayed as incapable and so on. Second, a customer outlined the potential for a small medium-sized accountancy firm in educating a group of people (i.e. accountants-advisors) to become specialized within the dynamic field of healthcare. By doing so, the small medium-sized accountancy firm will probably be unique within its sector (Focus group 2).</i></p>
	6s. Additional services	<p><i>“When I am listening to you, something pops into my head. You should have a few themes and for every theme you decide to turn off or turn on, so ‘this theme is turned on, because I do not like it and it bothers me, accountant-advisor arrange this for me’. Another theme, ‘which I will turn off, because I have the right people in-house, because we have reached the size that enables us to do so, and by the way there is someone who likes to do it, so I do not need your support’. It is about being aware of ‘I have to organize/arrange something, this one will be turned off and this one will be turned on’ whether it includes Finance, Management, HR, Grants, you could list the whole shop. So, what to turn off and what to turn on? But also keep in mind the comment that passed ‘yes but wait a second, this is something which is conducted internally for a long time now, in the meantime we are able to this by ourselves. For example, with regard to the wages. Then the accountant-advisor has to turn off this theme.” (Moderator 1)</i></p> <p><i>“Just as with a car-wash, you can choose a rims cleaner, wash, paste wax, foam wax. Well, then you have five packages and you can choose ‘what do I want, only this or this... or do I want also that, which is a tenner more expensive, let’s also take it’. Oh, is that a tenner more expensive, than I will also include HR, you know. And that will be your package, from which you will create your service provision for in the future.” (Potential customer 6, Director welfare organization)</i></p>
7. The value co-creation process	7t. Expectations of customer and supplier	<i>Referring to the accountancy sector, small medium-sized accountancy firms face the challenge to facilitate the co-creation of value. To be able to do this, both customers as well as suppliers need to express and communicate their expectations, through which potential value conflicts could be avoided or managed. The process of managing expectations and potential value</i>

		<p>conflicts need to be directed and perceived as a two-way process. When customers outsource activities to an external advisor, such as an accountant, they expect that this advisor will give them a calm and pleasant feeling. One of the customers emphasized he understands that in return for this feeling, customers have to pay a certain amount of money. It is about realizing benefits for both parties (Focus group 1).</p> <p>The co-creation of expectations cannot be realized with a wait-and-see attitude. A customer stated that to start, both suppliers as well as customers need to understand their interest in a good result, a combined interest and they want go for it. The entrepreneurial risk has to be dyadic and not only one-sided. The supplier described, instead of taking a wait-and-see attitude, direction should be giving to proactivity, as a two-way process between the customer and the supplier. Besides, the majority of the customers indicated that it has to be a shared responsibility instead of demand and supply (Focus group 2).</p>
	7u. Customer experiences	<p>Referring to the unpleasant experience of a customer, by receiving an unexpected bill 'directly' after he made a phone call to the accountant, this experience will heavily influence the frequency of upcoming phone calls. Moreover, this experience with the service/service provider will also have an impact on the purchasing of (additional) services (Focus group 1).</p> <p>In accordance with one of the key things mentioned by customers within focus group 1, the experience of receiving an unexpected bill after making a phone call, data analysis of focus group 2 indicate that customers become somewhat reserved in asking for advice because of this experience (Focus group 2).</p>
	7v. Informing	<p>The moderator stated that basically, instead of (only) thinking 'I expect the accountant to be proactive', customers should think of how to inform suppliers and act proactively from their own role as being a customer. The data reveals different alternatives of how customers inform the suppliers, such as by making a phone call or during the discussion of the financial statement. Referring to this two-way process a customer described that it is less of interest to him to initiate the contact with the accountant. Then it would be nice if the accountant takes initiative and asks sometimes 'what's up with that'. However, the purpose of contacting the customer needs to be clear (Focus group 1).</p> <p>To inform each other on a structural basis, the data revealed that customers and supplier need to be in a continuous dialogue and understand and act conform their shared responsibility (Focus group 2).</p>
	7w. Feedback	<p>With regard to the possibilities for receiving feedback of customers facilitated by the supplier, customers indicate that there are sufficient possibilities for providing feedback. Besides, customers feel free and confident to provide feedback. However, while there are varied possibilities for providing feedback, a customer stated that he did not recognizes the proactive search of the supplier for receiving feedback (Focus group 1).</p>
	7x. Service provision	<p>"A while ago, I brought the bike of my son to the cycle repairer, subsequently I retrieved the bike and received a bill from him. So, I already grabbed my bank card for chipping and saw on the bottom of the bill an amount of €0. On the bill he listed, the materials used, 15 minutes of work. In other words, €40-€40=€0. I said to him, why do you give me a bill of €0. Yes, he said: 'I want to make clear to you that I invested in you'." (Moderator 1 illustrated: although the supplier is offering a service, if he does not tell that this is an investment in the relationship, then the customer is not informed)</p>

		<i>From the viewpoint of the supplier all the services which make up the complete service provision, ultimately need to be tailored to the individual needs of customers. This relates to the notion of creating a total package of services, which are linked to each other and can be installed by customers personally, based on their individual needs. The potential customer indicated that currently there is a list of varied services. However, a lot of services are not known yet. Given the fact that customers are not always informed about the presence of some services, when these are offered individually, the small medium-sized accountancy firm can offer a total package of services in which the services are bundled together (Focus group 2).</i>
8. The value proposition canvas	8y. Customer profile	<i>"Off course we are all providing care, but if you look to every organization separately, I think you recognize big differences among them." (Customer 3, Physiotherapist)</i>
	8z. Value map	<i>"But it does not differ... when you said something about 'unburden with a subscription and that kind of things', I was not thinking of €3000 or €100, but roughly about the same amount. So, basically our thoughts are not that different, but we have to make such things negotiable." (Supplier 2, Accountant-advisor)</i>

Figure 4: Code manual for the combined perspective of customer and supplier towards the development of reciprocal customer value propositions

5. Discussion

This section attempts to interpret and describe the significance of the findings and place these findings in the context of the research problem framed. Besides, it incorporates the explanation of how this study moves the field forward. To be able to do so, this section is structured according the following parts. First, the research problem is stated as well as the significance, which is the *raison d'être* for performing this study. Second, a critical analysis of the major findings is provided, in which a comparison is made between the essential results and the literature presented. Third, additional findings are discussed and how these fit with existing literature.

Nowadays, there is a real need for small medium-sized accountancy firms to formulate and execute a well determined strategy. Critically to this strategy is the understanding of how to support customer, in future years, on a constantly and well-structured basis. So, basically this is a challenge which involves the need to determine and understand what customers actually value (i.e. in terms of services provision). Although, small medium-sized accountancy firms search for new ways to achieve and retain a competitive advantage, the focus is on redefining value for customers (i.e. internal) instead of redefining value with customers (i.e. external). By identifying and extensively describing the importance of facilitating continuous dialogue between supplier and customers, to provide service (i.e. create value) for and in conjunction with customers to obtain reciprocal service (i.e. value), this may shift the customer orientation from a strong internal focus to more outward orientation.

This study takes the notion of customer value proposition as a starting point. Although, it has not been fully elaborated in the S-D logic literature, the process of providing service for and in conjunction with customers to obtain reciprocal service, logically begins with reciprocal customer value propositions (Ballantyne et al., 2011). By incorporating existing knowledge about service delivery and value creation processes, this research aims at providing a comprehensive picture of the dialectical process of developing reciprocal value propositions with customers. By making use of face-to-face interviews and focus group interviews, respectively the supplier perspective towards value creation as well as the combined perspective of customer and supplier towards the development of reciprocal customer value propositions within a small medium-sized accountancy firm are elucidated.

Within this research the customer value proposition concept (including the notion of reciprocity) is linked to two other key concepts, which refer to the concept of value co-creation and the concept of value-in-use. The collaboration and intensive interaction underlying the development of reciprocal customer value propositions within a small medium-sized accountancy firm, occurs through a dialectical process encompassing four key themes: the current business environment, the service-interaction process, the value co-creation process and the value proposition canvas. Referring to the work of Ballantyne et al. (2011), they position reciprocal value propositions as a communication practice that brings exchange activities, relationship development, and knowledge renewal closer together. Moreover, they stated: *"A beneficiary's value assessment begins with an assessment of the equity (fairness) of any reciprocal value proposition. Co-ordinating a reciprocal value proposition continues until the sequence of proposals and essential detail is seen to make sense from their respective points of view."* (Ballantyne et al., 2011, p. 205) If the sequence of proposals and essential details make sense from the view of the firm as well as the customer, value is co-created during interactions (Aarikka-Stenroos & Jaakkola, 2012; Leemreize, 2015). In fact, this indicates that the dialectical process of developing reciprocal customer value propositions is preceding the mutual processes of value co-creation (as depicted in **Figure 2**). Given the fact that existing literature fall short in empirically studying this dialectical process, this research elaborates on the work of Ballantyne et al. (2011) by adopting a dyadic perspective on developing reciprocal customer value propositions in a

specific b-to-b service and solution context. Next to empirically studying the development of reciprocal customer value propositions, this research acknowledges the importance of empirically studying the mutual processes of value co-creation as emphasized by Aarikka-Stenroos and Jaakkola (2012).

Findings indicate that the value co-creation process, which is described as one of the four key themes of the dialectical process of developing reciprocal customer value propositions, does not necessarily progress in a linear fashion, but the activities may occur in parallel and in diverse order. This is consistent with the findings of Aarikka-Stenroos and Jaakkola (2012) and in contrast to some earlier conceptualizations (e.g. Tuli, Kohli and Bharadwaj, 2007). Besides, customers as well as suppliers play a critical role in the problem solving process. While knowledge intensive service suppliers contribute resources such as accumulated specializations and professional integrity, customers typically contribute information about their needs and their business. This critical role of both customers and suppliers in the problem solving process is also emphasized by Aarikka-Stenroos and Jaakkola (2012).

Although, with regard to the value co-creation process as examined within this research, customers are willing to participate in the co-creation process, this is not self-evident. Moreover, the same holds for customer involvement in the development of reciprocal customer value propositions. Findings out of the previous study conducted by Leemreize (2015), do for instance indicate that co-creation is often seen as a very time consuming and sometimes undesirable activity for customers when the purposes and potential value of such co-creation sessions are not clearly communicated by the service provider on beforehand.

This study increases understanding of how interaction between the firm and the consumer is becoming the locus of value creation and value extraction. More specifically, this study positioned the focus group method as an interaction platform for the development of reciprocal customer value propositions and emphasized the importance of continuous dialogue between supplier and customer, to reach for value creation. It shows how value creation involves a broader cycle of communicative interaction extending from pre-sale to post-sale within a buyer-seller relationship (Ballantyne et al., 2011). Prahalad and Ramaswamy (2004) described and explained varied building blocks of interactions: dialogue, access, risk-benefits, and transparency (DART). Consistent with the study of Prahalad and Ramaswamy (2004), findings indicate the importance of these critical building blocks. Moreover, findings highlighted that to facilitate the co-creation of value, 'co-creating experiences' is an essential requisite. The co-creation of value cannot be realized with a wait-and-see attitude. Instead of taking a wait-and-see attitude, direction should be giving to proactivity, as a two-way process between the customer and the supplier. There has to be a shared responsibility instead of demand and supply. Customers and supplier need to continuously inform each other about their expectations and need to strive for personalizing the co-creation experience. These findings are congruent with the previous study of Prahalad and Ramaswamy (2004), who illustrated that co-creation is a two-way street. The risks cannot be one sided. Besides, they described the co-creation of experiences as the basis for value creation and refer to the market as a forum for co-creation experiences. Furthermore, Prahalad and Ramaswamy (2004) stressed the notion of personalizing the co-creation experience, which means fostering individualized interactions and experience outcomes.

After reflecting on the results of this study in the context of the literature presented with regard to the customer value proposition concept, the concept of value co-creation and the concept of value-in-use, upcoming paragraphs outline the findings with respect to accounting services and its existence nowadays. Besides, these paragraphs describe how the results fill in, advance or contradict previously reported research.

Accountants are expected to act reactive as well as proactive. Given the knowledge base of accountants and the current potential to extend this knowledge base as well as their proactive role, it tends more and more to the ability of an accountant to predict important developments. Besides, findings indicate that accountants are aware of the need to compete with not only direct competitors, but also with other existing and emerging advisory professionals. In addition, this increasing diverse competition in combination with more self-reliant customers who are focused on their core business activities, force small medium-sized accountancy firms to become more multidisciplinary. Another interesting insight refers to the central role of the small medium-sized accountancy firm, in a world of intense competition, in which they position themselves as the gurus of knowledge management by making use of their network of partners (i.e. different fields of knowledge) to optimally service customers. These aforementioned results fill in and advance the previously research conducted by Howieson (2003).

The present research employs a dynamic capability of the firm. Findings show that accountants need to develop new skills and understandings to deliver the intangible product 'advice' and small medium-sized accountancy firms needs to recruit front-line staff with education types that are less narrowly geared to the technical characteristics of accountancy. With regard to developing new skills and understandings, education and personal development is required. Moreover, results outlined that the small medium-sized accountancy firm develop a network of partners with a range of other service providers, such as lawyers. Although, these findings are consistent with the work of Døving and Gooderham (2008), this study does not investigate the routines and systems that have to be in place to ascertain the regular development of human capital, as well as the processes that facilitate the development of alliances with a range of other service providers.

This research conclude that accountants are in a privileged position to offer advice to their existing clients as they are already acquainted, with the financial dimensions of their clients' businesses. Besides, though they are credible business advisors, accountants need to reassess their skills, opportunities, and barriers to providing advisory services to SMEs. These findings are congruent with previous studies of Samujh and Devi (2008) and Døving and Gooderham (2008).

Small firm customers expressed that they do not want to change an accountant if it feels good. By understanding the market/branch and the people within that market/branch, a sustainable relationship can be build. Next to this, small medium-sized accountancy firms make use of a trust model and building trust with each other is considered as being very important. Though, this research incorporates the notion of trust, the antecedents of the degree to which small firms use accountants as business advisor as well as if there are conditions that must be fulfilled for a small firm to purchase business advice are not sufficiently investigated. With regard to possible antecedents, Gooderham et al. (2004) revealed that the quality, rather than the longevity, of the relationship between small firms and accountants is an important antecedent of the degree to which small firms use accountants as business advisers. Besides, Ballantyne et al. (2011) indicate that trust may be the result of the presence of reciprocal value propositions to formulating equitable exchange. Referring to the question if there are conditions that must be fulfilled for a small firm to purchase business advice, Gooderham et al. (2004) stressed that there are at least two conditions that must be fulfilled for a small firm to purchase business advice from its accountant. First, it is required that the statutory service of the authorized accountancy must be perceived as being of high quality (Gooderham et al., 2004). Second, considering the small firm itself, it must have an ambition to grow or to develop in the sense that it is receptive to the advisory service being offered (Gooderham et al., 2004).

Given the information asymmetry inherent in knowledge intensive business, findings indicate that this will provide opportunities for suppliers as well as potential threats. While, customers do not know anything, have restricted information and many questions, suppliers could provide information from which customers do not even know this information is available. This information asymmetry in combination with the complexity inherent in knowledge intensive business services challenges both supplier and customer in value co-creation: it might be difficult for the supplier to communicate the value proposition in advance and to manage the service process to achieve the best service outcome; the customer might find it difficult to understand and evaluate the value potential (Aarikka-Stenroos & Jaakkola, 2012). Results show that another challenge relates to the fact that suppliers think they have to provide lots of information. By means of developing and offering business advisory services, varied pieces of information can be provided to customers. However, suppliers need to understand how to capture the value of these supplementary services. The present research points out that with regard to the development of new services, it is not the quantity which is considered as most important but the pace in developing and offering services. Findings out of the research of Anderson and Narus (1995), indicated that many suppliers simply add layer upon layer of services to their offerings instead of tailoring their packages of services to customers' individual needs. As a result of which, more services are provided to customers than they want or need at prices that often reflect neither the value of those services to customers nor the cost of providing them (Anderson & Narus, 1995). Referring to the notion of quantity or the increase of offering business advisory services, a previous study conducted by Snoei (2011), revealed that 'standing next to the customer' to increase customer satisfaction will not mean in advance that accountants need to provide more advisory services.

At last, the upcoming paragraphs describe the findings with respect to the development of reciprocal customer value propositions in the small medium-sized accountancy firm. As aforementioned, these paragraphs report how the results fill in, advance or contradict previous studies.

Referring to the theoretical framework depicted in this research, it is extensively described how to craft reciprocal value propositions. However, findings indicated that not all accountants-advisors are familiar with the concept of customer value proposition. While one branch manager related the customer value proposition only to its statutory accounting services, another described the added value the small medium-sized accountancy firm wants to create, but did not include the 'how-question' and the strategic positioning within the market. Both, did not include the functional as well as the emotional dimension of a customer value proposition. Moreover, there are contradictory findings about the transparency and the visibility of the customer value proposition(s) of the small medium-sized accountancy firm. The focus group sessions were organized as a starting point and interaction platform for the development of reciprocal customer value propositions, by facilitating dialogue between the small medium-sized accountancy firm and customers within the healthcare sector and their respective knowledge concerning value creation and value-in-use, regarding four key themes: the current business environment, the service-interaction process, the value co-creation process and the value proposition canvas. Reflecting on the work of Ballantyne et al. (2011) and their description of how to craft reciprocal value propositions, it can be concluded that it is not evident if the current value proposition of the small medium-sized accountancy firm is crafted as a reciprocal exchange of value; described in terms of perceived benefits or reduced costs; transparent about to whom that value should flow and how; perceived as a fair exchange of value; delivered over a time frame longer than a single transaction; is co-created through interaction between two or more parties; and, congruent with the relationship objectives set for a particular market. Furthermore, results could

suggest that three fundamental marketing assumptions listed by Ballantyne et al. (2011), create barriers for the small medium-sized accountancy firm in crafting and communication reciprocal value propositions. These three assumption involve a mindset shift and refer to: *adopting an interaction viewpoint on the meaning of exchange, from a supplier-dominant to an initiator-participant perspective* and *from communication-as-transfer to communication-as-process*.

6. Managerial implications

This research offers suggestions and recommendations for managers in terms of how to manage and improve collaborative interaction processes, in the context of the rapidly changing accountancy landscape. By converting the main theoretical foundations to a roadmap, which serves as a practical research instrument, this roadmap could ultimately be used to support small medium-sized accountancy firms in giving a holistic understanding of their value creating practices.

It is of critical importance that managers should not only understand the dynamics and developments within their own market (i.e. accountancy sector), but also the key developments which are linked to society and the business of customers. It could be that these developments will influence their own value creating practices as well as the value creating practices of customers. So, a small medium-sized accountancy firm should not just only react to market developments, but have to interpret these market developments and translate this understanding to their own value creating practices as well as those of customers. So, as customers become more empowered, networked and engaged and the market becomes more a forum for conversations and interactions between consumers, consumer communities and firms, the value creating practices of customers as well as those of a small medium-sized accountancy firm insurmountable change. To be able to monitor these developments and translate this understanding into concrete actions, a small medium-sized accountancy firm should make use of branch specialization. By doing so, managers which are responsible for a specific branch could identify the value creating practices of customers within that specific branch.

Instead of creating value on their own, there is a need for small medium-sized accountancy firms to co-create value together with their customers. To facilitate such co-creation of value, parties should develop platforms and procedures that invoke dialogue. However, before the small medium-sized accountancy firm should engage in value co-creation with customers, it needs to facilitate a dialectical process of developing reciprocal value propositions with customers. If the sequence of proposals, as part of this dialectical process, and essential details make sense from the view of the firm as well as the customer, value is co-created during interactions. This study organized focus group sessions as a platform to invoke dialogue and give direction to the dialectical process of developing reciprocal value propositions. Reflecting on the notion of branch specialization, the focus group sessions were organized for one specific branch. By means of showing willingness to understand the business of customers' and offering ways to support customers by means of co-creation, key account managers/branch managers were able to invite customers to enter into dialogue. For managers the task to emphasize and strive for a shared purpose.

With regard to the facilitation of focus group sessions, managers need to take into account varied considerations. These refer to, the size of focus groups, the number of focus groups and the composition of focus groups. With respect to the composition of focus groups, it is dependent on the predetermined segmentation criteria used by managers. Moreover, other considerations involve transparency concerning the topic of discussion and the role of the moderator. Furthermore, managers are recommended to have a thorough understanding of the strengths and weaknesses of conducting

focus groups. A proposed strength refers to, customers provide information on the 'dynamics' of attitudes and opinions in the context of the interaction that occurs between participants.

Referring to the use of focus group sessions as a platform to invoke dialogue, this dialogue is structured according to a protocol (see Appendix 2). Within the focus group session, managers could fulfill the role of moderator or the role of supplier. If managers fulfill the role of moderator during a focus group session, they have to use a protocol as a guide for conducting the session and should not take the perspective of the supplier. Besides, another person has to perform the role of supplier. If managers are fulfilling the role of supplier, they have to represent the supplier perspective towards value creation and interact with customers to take a combined perspective of customer and supplier towards the development of reciprocal customer value propositions. In this case, some other person, who is capable of, need to fulfill the role of moderator. Within the role of moderator, managers give all customers who participate a hearty welcome, state the ground rules and ask each person to introduce him or herself shortly (e.g. first name, role within the company). After which, the manager continues with a brief explanation of the underlying reason for creating the focus group session, the aim and format of the focus group. Then, the main objectives and deliverables will be listed to give direction to the discussion, followed by the start of the discussion. The discussion is composed of different topics. The suggested topics enclose: discussing the current business environment (i.e. key market developments, the role of the accountant-advisor), discussing the impressions of the service-interaction process (i.e. description of services, the small medium-sized accountancy firm compared to its competitors, additional services), discussing the impressions of the value co-creation process (i.e. expectations of customer and supplier, customer experiences, informing, feedback, service provision) and completing the value proposition canvas (i.e. customer profile, value map). After discussing the varied topics, there is room for final thoughts and questions about the subjects that were not covered yet. Finally, regardless if managers fulfill the role of moderator or the role of supplier, managers need to show their gratitude to the customers who participated and be clear about the required follow-up activity.

Ultimately, this interactive process and dialogue with customers of developing reciprocal value promises should lead to clearly formulated reciprocal value proposition(s) developed by managers and customers.

7. Concluding remarks

This research started with introducing the changing accountancy landscape, declaring the importance of the customer value proposition concept and in specific the co-creation of reciprocal value promises. In this paper, a contribution is made by providing a comprehensive picture of the collaborative process of developing reciprocal customer value propositions, between supplier and customers. Besides, ultimately this understanding is translated to a practical road map. Despite, acknowledging the importance of customer participation in knowledge intensive services and in the development of reciprocal value propositions, these streams have remained rather supplier oriented in their approach, as they predominantly stress value-for-customer instead of collaborative value creation with the customer (Aarikka-Stenroos & Jaakkola, 2012). By elaborating on the work of Ballantyne et al. (2011), this study is among one of the few empirical studies that have adopted a dyadic perspective on developing reciprocal customer value propositions in a specific b-to-b service and solution context.

Based on the findings, it is evident that small medium-sized accountancy firms face the challenge to redefine value for and with their customers, to be able to adapt to a continuously changing

accountancy landscape. This research conceptualizes value propositions as an interactive process and dialogue of crafting reciprocal value promises (Payne et al., 2008; Ballantyne et al., 2011). By taking this conceptualization as a starting point, this research conclude that small medium-sized accountancy firms need to be aware of the importance of entering into dialogue with customers and facilitating an interactive process between customers and supplier. One possible way of entering into dialogue and facilitating such an interactive process is by organizing focus group discussions. In this way, focus group discussions serve as an interaction platform to develop reciprocal customer value propositions and these reciprocal customer value propositions facilitate value co-creation among the supplier and customers, during personalized interactions. So, instead of just describing value propositions from a supplier perspective (i.e. G-D logic), small medium-sized accountancy firms need to understand that value propositions involve interaction and co-creation by customers and suppliers (i.e. S-D logic). Referring to the varied building blocks of interactions, as described by Prahalad and Ramaswamy (2004), it is concluded that these are critical to value creation. This means, critical to the development of reciprocal customer value propositions as well as the process of value co-creation. Moreover, findings indicate that next to dialogue, access, risk-benefits and transparency (DART) a shared responsibility can be considered as an important building block of interactions.

Given the major shift in the competitive landscape of small medium-sized accountancy firms, the entry of service providers (e.g. business advisors, coaches) and accountancy-related firms (e.g. accounting software providers) could erode the value proposition of small medium-sized accountancy firms. Therefore, small medium-sized accountancy firms are forced to reconsider their strategic positioning within the competitive market. By doing so, they are able to support customers, in future years, on a constantly and well-structured basis. However, most important is that small medium-sized accountancy firms recognize that they need to redefine its strategic positioning, determine the measures to realize this state and reconsider their core value proposition (if already applicable). If they recognize the need, which is the first step, a much more detailed understanding of their customers is required to be able to develop reciprocal customer value propositions. As aforementioned, a possible way to get a more detailed understanding, is to organize focus group discussions and integrate customer as well as supplier representatives.

It is obvious that small medium-sized accountancy firms need to facilitate continuous dialogue with customers, to provide service (i.e. create value) for and in conjunction with customers to obtain reciprocal service (i.e. value). To survive and thrive on the long term, the customer orientation has to shift from a strong internal focus to more outward orientation (i.e. value co-creation). A powerful way to map out and illustrate the results out of the dialectical process of developing reciprocal customer value propositions, is to complete the value proposition canvas. Basically, by completing the value proposition canvas all the different findings and insights, from both supplier and customers, towards the current business environment, the service-interaction process and the value co-creation process are combined.

This research revealed that healthcare organizations are among others seeking a mix of audit and non-audit services for a fixed amount of money and want to have a proactive accountant on their side, while social welfare organizations are also seeking a mix of audit and non-audit services but on the basis of a subscription fee. Besides, they want to have a proactive financial coach who is willing to support them upfront. To achieve these goals, the needs of each individual customer are bundled in two compelling reciprocal value propositions. One specified to the field of healthcare and one specified to the field of social welfare. The following reciprocal value propositions are suggested:

“The small medium-sized accountancy firm offers a total package of audit and non-audit services for a fixed amount of money, to unburden healthcare organizations from activities which are not directly related to their core business. By acting proactive, preventive and transparent we understand your business, courses of action and want to think along about the desired future direction based on your mission and core values.” (Healthcare organizations)

“The small medium-sized accountancy firm offers a total package of audit and non-audit services for a subscription fee, to unburden social welfare organizations from activities which are not directly related to their core business. By acting as a proactive financial coach whenever required we support you upfront, understand your business, strive for transparency and a shared responsibility.” (Social welfare organizations)

This research acknowledges that parties should develop platforms and procedures that invoke dialogue concerning the objectives of collaboration (Aarikka-Stenroos & Jaakkola, 2012). Besides, it describes how customer value propositions can be jointly developed between a small medium-sized accountancy and its customers (i.e. healthcare organizations and social welfare organizations), in order to adapt to the constantly changing accountancy landscape. However, previous studies and this research do not describe when customer value propositions need to be redefined, for example periodically or when the business of suppliers and/or customers have changed. If for example a supplier offered a value proposition to customers, which is captured in a slogan, probably this slogan is not changed periodically. Furthermore, if value propositions need only be redefined when the business of suppliers and/or customer have changed, it seems that this is a very reactive approach and not a proactive approach. This reactive approach is probably related to signals such as losing customers or declining profits, which should actually be prevented.

Reflecting on the domain of this research, next to having a thorough understanding of the patterns of value creation, small medium-sized accountancy firms need to map the process of strategy execution and by doing so they know if and how this will influence their internal business processes. Within this research, the patterns of value creation are described and the need for small medium-sized accountancy firms to redirect their strategic positioning is enlightened. However, less emphasis was given to the underlying strategy and the strategic management of the value focus of each firm's value propositions, to be able to communicate a firm's value proposition strategically and effectively. Although, this research accentuated that small medium-sized accountancy firm need to focus on their external profiling, translating strategy into internal customer value processes and requirements should not be forgotten. Based on the chosen positioning within the business model, internal business processes can be reorganized on the basis of knowledge about the services small medium-sized accountancy firms continue to offer and which customers require and the services they will discontinue to offer. With regard to the internal business processes, these should be connected as good as possible to the key trends. While this research identified the linkages between the core constructs, it did not investigate and elaborate on these linkages in practice, which is in line with the identified scope and research previously executed. Based on the findings with regard to the patterns of value creation, this research recommends small medium-sized accountancy firms to clearly map the process of strategy execution and review and reorganize their internal business processes. By doing so, small medium-sized should be able to adapt to the continuously changing accountancy landscape, from an external perspective as well as from an internal perspective. In the end, both perspectives are required to survive and thrive on the long term.

8. Limitations and directions for future research

This section refers to the limitations of the research and correspondingly identifies and suggests avenues for future research. Basically, these limitations and suggestions for future research can relate to the varied sections, which this research is comprised of.

One of the limitations concerning this research involves the purely qualitative research approach taken. Given the critique of qualitative research, the strengths of a mixed-methods approach could compensate for that. As Leemreize (2015) described, by applying a mixed-methods approach, the results of the quantitative research can be combined with the results of the qualitative research. Future research should use multiple data collection methods (i.e. quantitative and qualitative) to enable triangulation as two or more sources of data are combined in order to study the dialectical process of developing reciprocal customer value propositions, through which a better and more complete understanding of the collaborative process of value creation is gained. In addition, future research should generalize the results across contexts, including other service settings, diverse business sectors and larger firms as well.

With regard to the two major phases of this research process and their different sampling strategies, this involves some limitations. More specifically, these limitations refer to the sampling of face-to-face interviews and the sampling and composition of focus groups. The first phase of the research process involved a convenience sample with only some elements of a judgement approach (i.e. purposeful sample), including a total of five key account managers and branch managers. The second phase of the research process involved a purposeful sample with some elements of a convenience sample. However, it did not correspond with one of the 16 purposeful sampling strategies described by Patton (1990). Moreover, because the focus group participants were not gathered together through a process of non-probability sampling, this did not provide the degree of representativeness of a larger population that may be achieved in, for example, some mail surveys (Sim, 1998). Given the fact that the focus group is not considered as a sample from a target population, findings of focus groups cannot be strictly generalized. The issue of generalizability is not only related to the sampling strategy chosen but also to the research design chosen, which refer to a case study design. However, by having in-depth knowledge of a bounded situation this research can compensate for the potential lack of breadth and possibilities to generalize. Besides, although focus group findings cannot be generalized they can at least be transferred to other settings which have similarities to the context in which the data were gathered (Sim, 1998). Furthermore, with regard to the composition of the focus groups, participants came from a variety of occupational groupings (i.e. small medium-sized firms within the healthcare sector). These participants were selected by the key account managers of the small medium-sized accountancy firm. Given the restrictions being placed on the researcher, the use of segmentation within this study did not involve a well-founded comparative dimension. To explain, one focus group represents one specific occupational grouping (i.e. three directors of varied welfare organizations) and another focus group represents a mix of participants based on their occupation (i.e. one general practitioner and three physiotherapists). However, referring to the issue of group homogeneity, by incorporating professionals from one specific kind of sector this research will realize some kind of group homogeneity.

The aforementioned limitations of the present study as well as the identified avenues for future research, are related to the data collection process. This paragraph comprises the limitations of the present study and directions for future research, which are related to the theoretical framework. One limitation of the present study is that it incorporated the concept of value-in-use and highlighted

its importance with regard to value creation and the related concepts of customer value proposition and value co-creation, but it did not sufficiently operationalize value-in-use and measure it from a customer perspective. Future research should adopt the conceptual model of developing reciprocal customer value proposition out of this research and integrate the value-in-use constructs as described by Sahhar (2016). Moreover, referring to the described relation between the concept of customer value proposition (including the notion of reciprocity), the value co-creation concept and the concept of value-in-use, future research should also integrate the collaborative activities constituting the process of value co-creation, as identified by Aarikka-Stenroos and Jaakkola (2012). By doing so, future research should focus on the practical application of a reciprocal customer value proposition, what constitutes a reciprocal customer value proposition or makes one persuasive, how can a reciprocal customer value propositions facilitate the mutual processes of value co-creation in knowledge intensive services and what is exactly meant by value-in-use for (accounting) practitioners. Another recommendation for future research refers to the systemic perspective towards value creation, taken by researchers like Payne, Ballantyne and Christopher (2005), Kowalkowski (2011) and Ballantyne et al. (2011). As already mentioned by Ballantyne et al. (2011), more research needs to be undertaken to identify the use and application of the value proposition concept at a stakeholder network level, next to the individual focal firm to counterpart levels (i.e. supplier-customer). Besides, with regard to the notion of a stakeholder perspective, this research recalls the stakeholder alignment mechanism proposed by Frow and Payne (2011), which requires further investigation. Furthermore, this research suggested two market segment-specific customer value propositions for one specific branch. Future research could examine more intensively the importance of a consistent market segmentation and branch specialization with regard to the crafting of market segment-specific customer value propositions. For example, if your branch specialization includes the healthcare sector (e.g. consisting of general practitioners, physiotherapists, social welfare organizations), is it required to craft three market segment-specific customer value propositions (i.e. general practitioners, physiotherapists, social welfare organizations) or one customer value proposition specified to the entire branch (i.e. healthcare sector). The possibility exists that it requires the crafting of varied personalized customer value propositions within a given branch, as illustrated by this research.

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10. Appendices

Appendix 1: Qualitative research tool

Interview guide for structuring interview reports

Based on the work of Aarikka-Stenroos and Jaakkola (2012) and Leemreize (2015)

(Dataset 1)

QUALITATIVE RESEARCH TOOL: INTERVIEW WITH BRANCH MANAGERS OF SMALL MEDIUM-SIZED ACCOUNTANCY FIRM X

Date:

Time:

Company:

First, let me introduce myself and explain to you the reason for conducting this interview. My name is Maarten Siemerink and I am studying at the University of Twente. In the context of my graduation research concerning the Master Business Administration at small medium-sized accountancy firm x, I am investigating the service provision and the supplier perspective towards value creation. By understanding this supplier perspective and complement it with the focus group method to facilitate dialogue between the small medium-sized accountancy firm and customers, this research takes a dyadic perspective on the development of reciprocal customer value propositions. I will try to examine the importance of dialogue and interaction between small medium-sized accountancy firms and their customers to develop reciprocal customer value propositions. Ultimately, by means of developing reciprocal customer value propositions, small medium-sized accountancy firms should be able to adapt to the changing accountancy landscape, retain or strengthen their competitive advantage and create value for and with their customers in a unique and different way.

I would like to know your perspective on the changing accountancy sector. Furthermore, I am interested in **your perception of the customer value proposition concept, the value co-creation concept and the concept of value-in-use**. In the upcoming 40/50 minutes I would like to talk to you about a number of topics, regarding small medium-sized accountancy firm x and the market/industry in which it operates, the value co-creation process and the value-in-use facilitation process. There are no right or wrong answers. Your sincere opinion will be appreciated. If a question is not completely clear to you, please let me know so I can further explain the question.

Everything you will say will remain confidential and is for research purpose only. Moreover, the data will be treated anonymous and will only be shared with the University of Twente and small medium-sized accountancy firm x. To be able to collect all relevant information and transcript it as accurate as possible, I would like to ask you if I have your permission to audio-tape this interview.

Signature:

I. Interview guide

A) Interviewee represents the supplier's perspective:

1. Background information on the interviewee

- title of the interviewee, interviewee's role in the organization
- name of the organization, size of the organization (i.e. number of employees)

2. Describe the KIBS organization and the market/industry in which it operates.

- What is in one sentence your view on the industry and the branch for which you are responsible?
- When does the firm develop new services?
- What are the main services offered by the firm?
- What are the firm's most important resources on which its services are based?
- What are the firm's main target groups/customer segments? Is there a clear focus on one of the target groups/customer segments?
- What is unique about the firm's offering?
- How is the uniqueness of the firm's offerings communicated to the targeted customer segment what competitors cannot offer? (Value proposition)
- Which actors/managers are involved in communicating the uniqueness of the firm's offering?
- Who are the major competitors? What about the strategic positioning of the firm within the market?

3. The value co-creation process and value-in-use facilitation process

Diagnosing needs

- How to understand and recognize customers' needs?
- How to know if there is a difference in the perception of each other's goals and resources?
- Do customers provide information?
- Does the firm organize meetings with customers to facilitate dialogue?
- Is the firm's value proposition transparent and visible for customers?

Design and producing the solution

- How does the firm create its services?
- Does the firm ask its customers (existing and potential) for input?
- What is the service process (problem solving process) like?
- How does the firm create or facilitate value for its customers? / In what way does the firm create or facilitate value for its customers?
- How does the firm interact with its customers? (How often, through which channels, with who?)
- What kind of problems are solved for the customers? What kind of needs do customers have?
- Describe the service and the elements that are customized?
- What are the benefits that customers can get from the solution provider?
- What kind of challenges and difficulties has the supplier firm faced in marketing its services and in the problem solving process?

Organizing the process and resources

- What kind of resources do the suppliers use and invest in problem solving?
- What kind of processes, activities and actions relate to the problem solving process?
- How does the customer participate in the service/problem solving process? (In the development or co-creation of services, exchanging useful information such as customer experiences, or providing

feedback)

- What kind of resources/contributions are needed from the customer?

Managing value conflicts

- How does the firm know what customers will expect from the benefits accrued?

- Does the firm discuss the value proposal with its customers?

Implementing the solution

- Is there a distinction being made between providing services and implementing services?

- When talking about services and its implementation, does the firm involve customers?

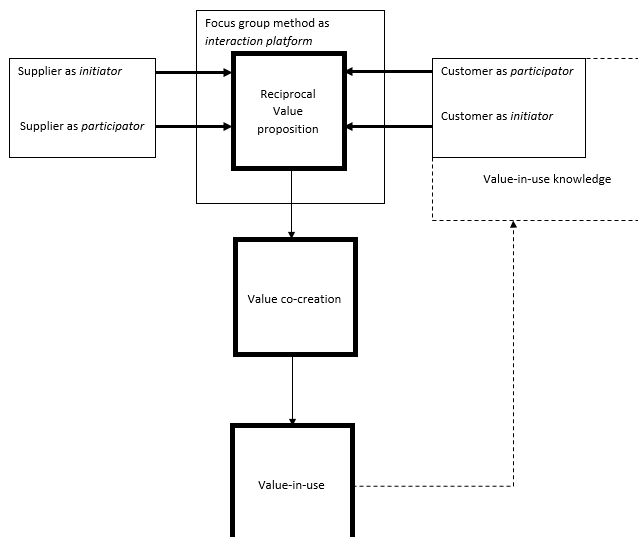
Value-in-use

- How does the supplier firm know if the services would be valuable upon use in customers' businesses?

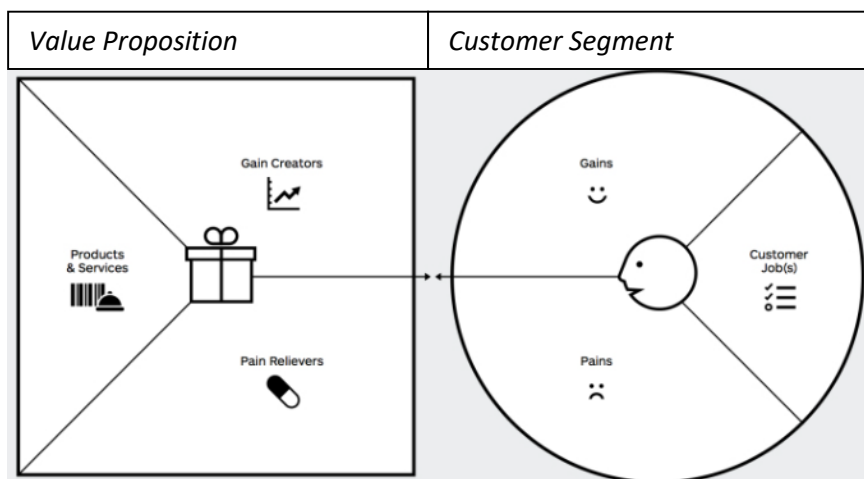
- In what way does the firm support its customers in the usage of their service after purchasing?

- What about the customer involvement needed when services are delivered by the supplier firm?

II. The conceptual model of developing reciprocal customer value proposition



III. Completing the value proposition canvas (Osterwalder A. , Pigneur, Smith, Bernarda, & Papadakis, 2014)



Appendix 2: Qualitative research tool

Focus Group Protocol

Based on the work of Harrell and Bradley (2009)

(Dataset 2)

1. Welcome	<p>Welcome, I want to thank you for your presence today. My name is Maarten Siemerink and I will be, together with person x and person y the facilitators for today's group discussion. Person x and person y will facilitate and guide the group discussions, while I will take the role of observer (concerning one of the two focus groups). I am a graduate student from the University of Twente and doing an internship at small medium-sized accountancy firm x. The discussion will be recorded for the purpose of data analysis.</p> <p>We invited you today to take part in different focus groups, which make up the group discussion, because you are all working in the Healthcare sector. We would like to talk with you about your impressions/expectations and ideas with regard to the value co-creation process and facilitate dialogue with small medium-sized accountancy firm x.</p> <p>The study has a scientific foundation and is supported by small medium-sized accountancy firm x. What we learn from today's discussion will help small medium-sized accountancy firm x to increase their understanding of developing reciprocal customer value propositions in dialogue with customers, the value co-creation process and how to reach for an optimal service provision (i.e. value) together with customers, which is subjectively determined by the customer in context.</p>
2. Ground Rules	<p>Before we begin, I would like to review a few ground rules for the discussion.</p> <ol style="list-style-type: none">The facilitators of the different focus groups will ask you several questions; we do not have to go in any particular order but we do want everyone to take part in the discussion. We ask you to keep in mind that only one person speak at a time.Feel free to treat this as a discussion and respond to what others are saying, whether you agree or disagree. This

	<p>could lead to valuable insights for all the parties involved. There are no right or wrong answers. We're asking for your opinions, based on your own personal experience. We are here to learn from you.</p> <ul style="list-style-type: none"> c. Respect each other's answers/opinions. d. If there is a particular question you do not want to answer, you do not have to. e. If there is a particular question not completely clear to you, feel free to ask for further explanation. f. Confidentiality is key to this discussion. Your answers will be treated confidential. g. We are tape recording the different focus groups and their discussions and also taking notes, for the purpose of a consistent and complete data collection process. After which, the data can be analyzed in detail. h. Referring to the notion of confidentiality, we will not include your names or any other information that could identify you in any reports we write. i. Finally, this discussion is going to take about three hours and we ask that you stay for the entire meeting. At the end of the discussion we will give you a factsheet of the so-called 'Ondernemerskompas'.
3. Introduction (25 minutes)	<p>[START TAPE RECORDER NOW]</p> <p>First, I'd like to shortly introduce the research team and their roles. After which, I want to ask each person to introduce him or herself shortly. Please tell us your first name only and describe your role within the company, for the purpose of a complete and accurate data collection and analyzing process. To continue with a brief explanation of the underlying reason for creating this setting, the aim and format of the focus groups.</p> <p>Does anyone has any questions before we start?</p>
4. Main objectives (5 minutes)	<p>To strive for a certain outcome of this discussion, the following deliverables are determined:</p> <ul style="list-style-type: none"> 1) Each focus group should combine their views

	<p>about the recent challenges in the healthcare sector and the (potential) role of the accountant and the customer.</p> <p>2) Each focus group should explore the value (co-)creation process and how customers provide the supplier with relevant information, such as the communication of customer needs.</p> <p>3) Each focus group should incorporate the value-in-use knowledge of customers (i.e. customer insights) and knowledge of the supplier with respect to value creation, to jointly complete the value proposition canvas.</p>
<p>5. Group discussion</p> <p>- Topic 1</p> <p>(10 minutes)</p> <p>(10 minutes)</p>	<p>Topic #1: The current business environment</p> <p>The first thing that we'd like for you to discuss is the current business environment.</p> <p>1. To start off, give a description of the current business environment.</p> <ul style="list-style-type: none"> - PROBE: What challenges are you facing? - PROBE: How to overcome these challenges? - PROBE: What about the relationship between you and small medium-sized accountancy firm x? - PROBE: What do you expect from your accountant? What do you perceive? <p>Now there is time to formulate the first deliverable.</p>
<p>6. Group discussion</p> <p>- Topic 2</p> <p>(20 minutes)</p>	<p>Topic #2: The service-interaction process</p> <p>Now, we would like to discuss your impressions of the service-interaction process.</p> <p>2. What words would you use to describe the services (audit and non-audit) provided by small medium-sized accountancy firm x?</p> <ul style="list-style-type: none"> - PROBE: What is unique about its offering what competitors cannot offer? - PROBE: Is the value proposition of small medium-sized accountancy firm x transparent and visible for you? - PROBE: Does this value proposition addresses the fit between the offering and what you want? <p>3. Are the services meeting your needs?</p> <ul style="list-style-type: none"> - PROBE: How would you specify those needs? - PROBE: What (accounting) services do you purchase most often? - PROBE: Why did you not use some of the other services that small medium-sized

	<p>accountancy firm x provides?</p> <p>- PROBE: What additional services would you like for small medium-sized accountancy firm x to provide?</p> <p>- PROBE: How could small medium-sized accountancy firm x improve its services?</p>
<p>7. Group discussion</p> <p>- Topic 3</p> <p>(30 minutes)</p>	<p>Topic #3: The value co-creation process</p> <p>The next thing I'd like to discuss is your impressions of the value co-creation process. Starting with two trade-off statements:</p> <p>4. As customers become more empowered, networked and engaged (be more informed in the current global, dynamic and interactive business environment, for example), the main incentive for a firm to create value will shift from purely delivering value to the customer to facilitating value for the customer, which create value on its one or in dialogue with the firm? / Customer value cannot be delivered by the firm but is created by its customers or co-created with support of the firm?</p> <p>5. As the market becoming a forum for conversations and interactions between consumers, consumer communities and firms (increasing possibilities for co-production, for example), the main incentive for a customer to purchase services will shift from the importance of 'price' of services to relationships and the 'experiences' with the services/service provider? / Relationships and their 'experiences' are valued much more highly than the 'price' of services?</p> <p>The remaining part includes questions.</p> <p>6. Do you provide information to small medium-sized accountancy firm x?</p> <p>- PROBE: Does small medium-sized accountancy firm x ask you for input?</p> <p>- PROBE: Does small medium-sized accountancy firm x organizes meetings to facilitate dialogue?</p> <p>7. How do you interact with small medium-sized accountancy firm x (How often, through which channels, with who)?</p> <p>8. Which benefits are related to the services provided?</p> <p>- PROBE: Which benefits are related to the relationship with the accountant?</p> <p>9. What are the benefits that you expect from the services provided?</p>

<p>(10 minutes)</p>	<ul style="list-style-type: none"> - PROBE: Do you inform small medium-sized accountancy firm x about your expectations? 10. How do you participate in the service/problem solving process? - PROBE: Do you support small medium-sized accountancy firm x in the development or co-creation of services? - PROBE: Do you exchange useful information such as customer experiences? - PROBE: Is there a possibility to provide feedback? - PROBE: Do you provide feedback? 11. When talking about services and its implementation, are you involved as a customer? - PROBE: In what way are you involved? 12. Is there a need for co-creating (new) services? - PROBE: What about the willingness to co-create (new) services? <p>Now there is time to formulate the second deliverable.</p>
<p>8. Group discussion - Topic 4 (5 minutes)</p> <p>(35 minutes)</p>	<p>Topic #4: Completing the value proposition canvas</p> <p>Finally, as a last topic of discussion the moderator/facilitator will introduce and also by means of co-creation with participants will facilitate the value proposition canvas. The value proposition canvas is composed of the Value map and the Customer segment, from the perspective of small medium-sized accountancy firm x.</p> <ul style="list-style-type: none"> - The Value (proposition) map precisely describes the characteristics of a specific value proposition in the business model of small medium-sized accountancy firm x. It will split up the value proposition in products and services, pain relievers and gain creators. - The customer segment precisely describes a specific customer segment in the business model of small medium-sized accountancy firm x. It will split up the customer in jobs, pains and gains. <p>Now there is time to formulate the third deliverable.</p>
<p>9. Final thoughts (5 minutes)</p>	<p>Those were all of the questions that I wanted to ask.</p>

	13. Does anyone have any final thoughts/questions about the subject(s) that he or she did not share yet?
10. Summing up (15 minutes)	<p>I want to thank you for coming today and share your opinions and experiences with us. We hope you enjoyed the discussion today and that it was (also) worthwhile for you. I am going to hand out a factsheet of the so-called 'Ondernemerskompas' [HAND OUT the factsheet of the 'ONDERNEMERSKOMPAS'].</p> <p>If you want to have a follow-up activity, where you can interact during a one-on-one dialogue with small medium-sized accountancy firm x, feel free to get in touch.</p>

Appendix 3: Considerations for designing focus groups, conducting and analyzing focus groups and the limitations of focus groups

3.5 Focus groups

Previous sections already mentioned the focus group technique, but did not elaborate on the issues related to the design for focus groups, conducting and analyzing focus groups and the limitations of focus groups. This section will provide an in-depth understanding of the focus group method, because of its central importance in this study.

3.5.1 Considerations for designing focus groups

The focus group method comprises elements of two methods: the group interview and the focused interview (Bryman & Bell, 2011). According to Bryman and Bell (2011), it adds to the focused interview the element of interaction within groups as an area of interest and is more focused than the group interview. For the field of focus groups, it is stressed that an emphasis on research design would generate explicit principles that would replace the “rules of thumb” that have guided past practice (Morgan, 1996). So, rather than simply asserting that conducting focus groups involves a structured discussion among a certain amount of homogenous strangers, an emphasis on research design would systematically investigate implications of conducting more structured versus less structured discussions, of using smaller versus larger groups, etc. (Morgan, 1996). With regard to the set of issues involved in designing focus group research, Morgan (1996) distinguishes decisions that apply to the research project as a whole and those that apply to the conduct of a particular group. Referring to the decision at the project level (i.e. standardization of questions and procedures, sampling and number of groups), these specify the kinds of data the focus groups should produce, whereas group-level design decisions (i.e. level of moderator involvement and group size) establish how to conduct the groups in order to produce such data (Morgan, 1996). In addition to the work of Morgan (1996), Sim and Snell (1996); Sim (1998); Twohig and Putnam (2002); Gill, Stewart, Treasure and Chadwick (2008) and Bryman and Bell (2011) listed some important considerations underlying the focus group method. These considerations encapsulate varied issues related to the design of focus group research, which in other words refer to the practical aspects of the conduct of focus group research.

Sim and Snell (1996) emphasizes the importance of the choice of participants, the topic for discussion, and the role of the moderator. First, with regard to the choice of participants, generally speaking, the participants should have common experiences, interests and understanding and there should be a shared set of definitions within the group, concerning the specific focus of the interview (Sim & Snell, 1996). Besides, it is essential to consider the issues of acquaintanceship, group homogeneity or compatibility. These issues pertain to the groups inner interpersonal dynamic, and are rarely addressed in research articles using focus groups (Twohig & Putnam, 2002). According to Twohig and Putnam (2002), the mix of participants who make up the focus groups, should reflect the research question. Thus, it is acceptable to incorporate varying professional or other perspectives in a group, if the purpose will be to explore the ways in which different participants interact for example (Twohig & Putnam, 2002). However, alternatively it has to be kept in mind that in many cases mixing persons of different experiences or professional background could impede the group dynamic (Twohig & Putnam, 2002). Second, the topic for discussion should be relevant to the participants involved and should be one that lies within the experience or expertise of participants, and which they will be happy to discuss (Sim & Snell, 1996). Sim and Snell (1996) accentuate that it is of critical importance that the topic should be one amenable to exploration by qualitative means, which concerns the focus on people’s

perceptions, attitudes, understandings etc., not on their knowledge, or other factual data. Third, when talking about focus groups, the involvement of a moderator/facilitator is one of the most striking features of this research method (Morgan, 1996). As a moderator you should be skilled in the techniques of in-depth interviewing and adept at managing group dynamics, in order to facilitate an effective functioning of focus groups (Sim & Snell, 1996). Moreover, as a moderator you should be aware of the influence of your personality, social identity and interpersonal skills on the process of interaction that takes place, and the way you behave, and the verbal and non-verbal cues that you give to the group, are crucial in this respect (Sim, 1998). It seems that groups in which the moderator exercises a higher degree of control are termed “more structured” (Morgan, 1996). The way in which a group can be more structured refers to being more structured with regard to asking questions and being more structured with regard to managing group dynamics (Morgan, 1996). Approaches to moderating should be linked to research goals (Morgan, 1996). By specifying the goals of the research, it can be clearly argued whether a moderator should use a more or less structured approach (Morgan, 1996). This is linked to the challenge of finding a right balance between an active role and a passive role. As is emphasized by Sim and Snell (1996), insufficient participation on the part of the moderator may preclude a feeling of empathy and an understanding of the group’s perspective. In addition, a moderator should be supportive, appreciative of all members and their contributions and impartial with regard to the topics discussed (Sim & Snell, 1996). It is very important that the moderator creates an atmosphere where he or she is there to learn from the participants, rather than the reverse. One last important remark, in focus group research with respect to assessing the quality of the service, the moderator should not be identified with the service providers. This is closely akin to the role of the moderator within this research, concerning the collaborative process of value creation, who should not be identified with the service providers.

Morgan (1996), distinguishes between decisions at the project level and group-level design decisions, which also include decisions regarding the number of groups and group size. According to Gill et al. (2008), group size is an important consideration in focus group research. By providing an answer to the question ‘what is the optimum size for a focus group’, Gill et al. (2008) state the number of 6-8 participants (excluding researcher) and mentioned that focus groups can work successfully with as few as three and as many as 14 participants. Referring to the work of Sim and Snell (1996), they emphasize that the consensus in the literature seems to be that 8 to 12 is a suitable number and indicate that fewer participants may lead to one or two members becoming dominant, while a greater number of participants may be difficult to manage and may inhibit some group members or lead to fragmentation of the group. Moreover, they incorporated the work of Krueger (1994) who labelled a focus group of 4-5 members as a ‘mini focus group’ and state that this number of participants will limit the quantity and diversity of experience that can be drawn upon. According to Twohig and Putnam (2002), focus groups appear to consist of 5-8 persons. They state that typically, focus groups range from as few as four upwards to a dozen participants. Within this identified range, it holds that smaller and larger groups present their own benefits and challenges (Twohig & Putnam, 2002). With regard to the use of smaller groups, these groups seem to be more appropriate with emotionally charged topic that generated high levels of participant involvement, gives each participant more time to discuss her or his views and experiences on topics in which they all are highly involved, make it easier for moderators to manage the active discussions that often accompany high levels of involvement and emotional topics, but also involve the risk limited discussion occurring (Morgan, 1996; Gill et al., 2008). Reflecting on the use of larger groups, larger groups contain a wider range of potential responses on topics where each participant has a low level of involvement. These larger groups are easier to manage

when each participant has a lower level of involvement in the topic, but also involve the risk that they are difficult to manage for the moderator, if people are rather diffident about talking about a topic about which they know little or have little experience and frustrating for participants who feel they get insufficient opportunities to speak (Morgan, 1996; Gill et al. 2008; Bryman & Bell, 2011). After answering the question about the group size from the viewpoint of varied researchers, the remaining question about the number of groups that is required need to be answered. While, Morgan (1996) stresses that most projects consist of 4-6 focus groups, multiple researchers indicate that the number of groups is derived from different factors and do not give a clear answer to the question regarding the number of groups. The work of Calder (1977) and Livingstone and Lunt (1994) incorporated the theoretical saturation criterion, which indicate that once the major analytic categories have been saturated and the moderator is able to anticipate fairly accurately what the next group is going to say, there seems little point in continuing and so it would be appropriate to bring data collection to a halt (Bryman & Bell, 2011). According to Bryman and Bell (2011), one factor that may affect the number of groups is the use of stratifying criteria. If researchers feel that the kinds and range of views from the participants are likely to be affected by stratifying criteria, such as age, gender and class (i.e. socio-demographic factors), they like to use these criteria to ensure that groups with a wide range of features will be included (Bryman & Bell, 2011). If this is the case, larger number of groups may be required to reflect the criteria (Bryman & Bell, 2011). Other factors that may affect the number of groups refer to the different aspects of research design for focus groups and how these aspects intersect (Morgan, 1996). These aspects include, the use of multiple segments which will increase the number of groups needed and the use of lower level of standardization which will also typically require more groups (Morgan, 1996). To conclude, next to reporting the number of participants per group, the cumulative number of participants need also be reported to permit readers critically to assess the composition of individual groups as well as the entire project (Towhig & Putnam, 2002).

Finally, one last important consideration related to the data collection process, concerns data recording and transcription. Bryman and Bell (2011) stated that just as with interviewing for qualitative research, the focus group sessions will work best if it they are recorded and subsequently transcribed, instead of relying on notes and writing down exactly what participants say. Although, Heritage (1984) listed some advantages with regard to the procedure of recording and transcribing interviews (and focus groups), it has to be kept in mind that focus group research can be difficult to transcribe (Bryman & Bell, 2011). The reason for this is that people in the discussions often talk over each other, which makes it difficult to identify who is saying what (Sim, 1998; Bryman & Bell, 2011). To resolve this issue, a combination of video-recording and audio-recording can be used (Bryman & Bell, 2011). However, the use of a video recorder may have unwanted reactive effects (Sim, 1998).

3.5.1 Strengths and weaknesses of focus groups

Before elaborating on some of the factors that constitute the strengths of the focus group and at the same time can also be its weaknesses, a few broad advantages related to the use of the focus group are emphasized. Sim (1998) summarized the following:

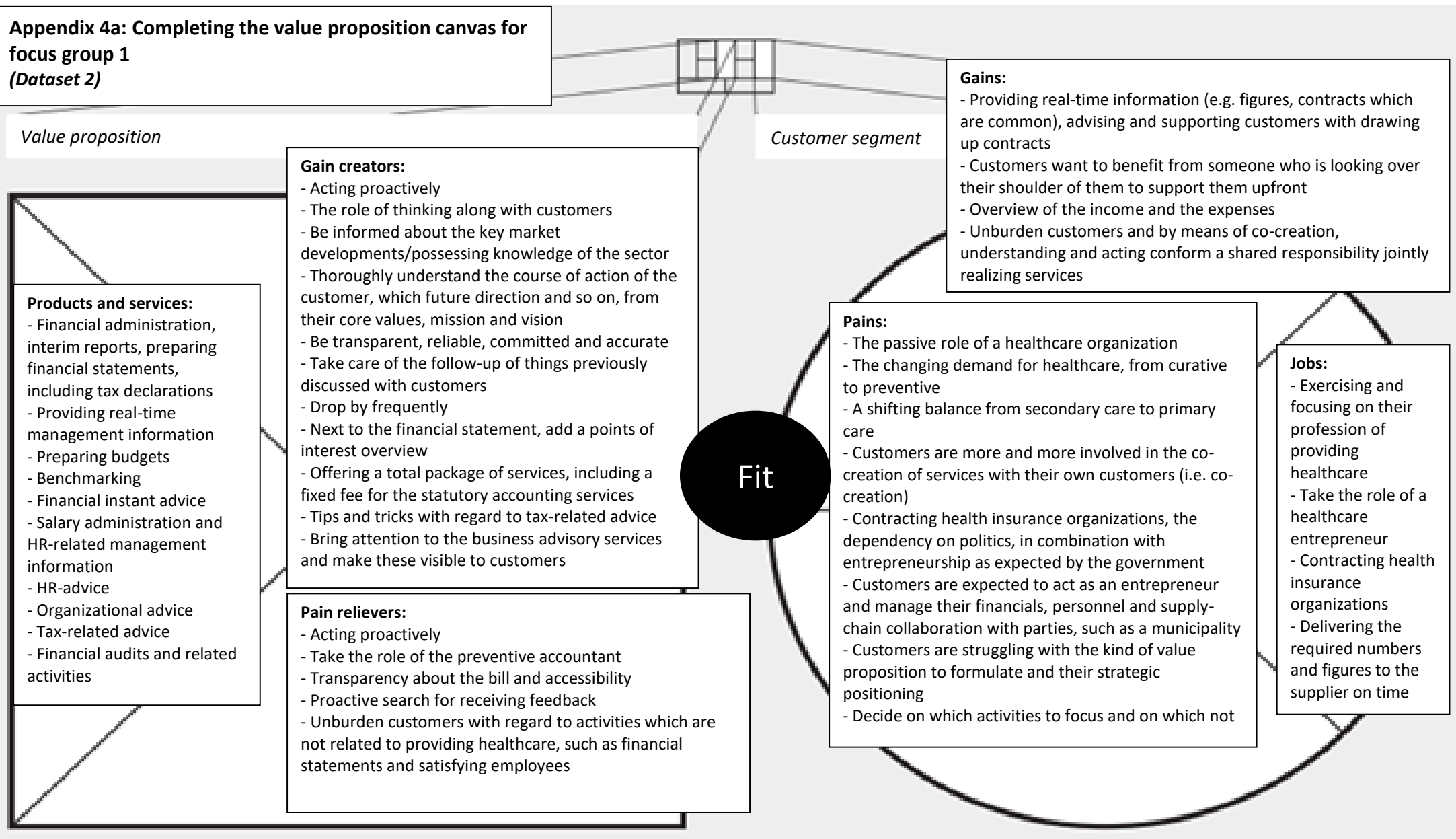
- *"They provide information on the 'dynamics' of attitudes and opinions in the context of the interaction that occurs between participants, in contrast to the rather static way in which these phenomena are portrayed in questionnaire studies".*
- *"They can provide a 'safe' forum for the expression of views, e.g. respondents do not feel obliged to respond to every question".*
- *"Participants may feel supported and empowered by a sense of group membership and cohesiveness".*

The strengths of the focus group are linked to the broad advantages emphasized above. One of the unique strengths refers to the ability to observe the extent and nature of interviewees' agreement and disagreement (Morgan, 1996). Adjacent to it, a further strength has to do with the researcher's ability to ask the participants themselves for comparisons among their experiences and views, rather than aggregating individual data (as with qualitative interviewing) in order to speculate about whether or why the interviewees differ (Morgan, 1996). By incorporating the work of Morgan (1996) and Sim and Snell (1996) varied weaknesses of focus groups can be identified.

According to Morgan (1996), these weaknesses like their strengths, are linked to the process of producing focused interactions, raising issues about both the role of the moderator in generating the data and the impact of the group itself on the data. Considering the role of the moderator, it is important to understand the consequences of the behavior of the moderator for the nature of the group interviews and the range of variation that is possible across different styles of moderating (Morgan, 1996). With regard to the impact of the group on the discussion itself, findings out of the research conducted by Sussman, Burton, Dent, Stacy and Flay (1991) indicated that attitudes became more extreme after the group discussion (i.e. the so-called "polarization" effect). Morgan (1996) stated that research designs from the social psychological study of small groups can offer useful tools for investigating the issue of how group members affect each other.

According to Sim and Snell (1996), much depends upon the identity of the group members, the skills of the moderator, and the nature of the topic. They described the two factors: 'mix of the group' and 'group context' as well as two key issues that affect the quality of the findings derived from focus groups, namely 'danger of a false consensus' and 'external validity'. Referring to the 'mix of the group', it involves status differentials, dominant personalities, and various interpersonal sources of inhibition that can undermine the process of expression and disclosure in a focus group (Sim & Snell, 1996). The 'group context' incorporates the notion that respondents may be empowered to a greater degree in a group setting than in one-to-one interviews (Sim & Snell, 1996). The issue of 'external validity' includes factors which threaten the external validity of the findings obtained from focus groups, such as the relatively small number of participants, the selection of group members which is usually based on purposive sampling, and the further process of self-selection (certain individuals are more likely than others to agree to take part) (Sim & Snell, 1996). With regard to the issue of 'danger of a false consensus', Sim and Snell (1996, p. 193) explained the following: *"If a divergence of views does emerge from the data, this will doubtless reflect a corresponding underlying difference of opinion. However, the absence of such diversity should not be taken as evidence of an underlying consensus. A feeling of conformity in the data may merely be an artefact of the group dynamics, and say little about the true spread of opinion"*.

Appendix 4a: Completing the value proposition canvas for focus group 1 (Dataset 2)



Appendix 4b: Completing the value proposition canvas for focus group 2 (Dataset 2)

Value proposition

Customer segment

