

Networks of Relational Capital for Ecosystemic Change

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Abstract

This presentation describes a game-based training program to build relational capital among a cohort of national, regional and local change agents. This training program was developed to launch a new strategy of customer-oriented service delivery across new value chains of integrated products and services offered by the change agents of Brazil's CNI - and its industry system of SESI, SENAI, and IEL programs. This industry system of change agents provides diverse services for diverse needs to diverse enterprises throughout diverse regions of Brazil. The local availability of education, technology and innovation, health and safety services whose programmatic content can be sourced from expertise resident in non-local programs depends on an agile network of programmatic resources from all units the CNI industry system - SESI, SENAI, and IEL - each of which is operationally administered at the state and regional level. Through networked relationships of services CNI and its industry system seek to create a multiplier effect in the customer-oriented marketing and service strategies used by their national, regional and local agents. Lessons learned from the program's launch and the first regional implementations will be shared, along with emerging metrics for the expansion of relational capital among the change agents of CNI and its industry system.

Background

Innovation programs and other change-oriented programs have been challenged to create customer-oriented service offerings for large enterprises with distributed operations. Successful enterprises assign innovation mandates to multiple divisions in their organizations. Effective service agents adapt service offerings to the specific objectives of those divisions, where the decision to use external services are managed. The result of enterprises making innovation programs accountable to multiple divisions and change agents adapting services to those specific divisions is an increasing fragmentation in the service offerings. This presents a conundrum for the management of large scale innovation programs.

The development and delivery of innovation services to 250 local, national and international companies with geographically distributed branches requires a decentralized organizational infrastructure in which innovation takes place at the local level. Yet, efficiently offering programs that represent best practice across by a tiered and distributed national staff of more than 50,000 employees requires a centralized infrastructure in which best practices can be scaled for distribution. The management of innovation managers requires a creative tension between centralization and decentralization – in enterprises and in the organizations that serve them as change agents.

To leverage programmatic strengths from every part of CNI's Brazilian industry and make those strengths available more effectively to serve Brazil's enterprises, the leadership of CNI undertook a major initiative to become a dynamically networked organization. The strategic leadership goals of this initiative included building a value

chain of integrated products and services offered by SESI, SENAI, and IEL programs across the diverse regions of Brazil. In doing so, CNI and its industry system seek to create a multiplier effect in the marketing strategies used by their national, regional and local agents, whose fundamental resources and relationships and knowledge. Through relationships, shared vision, collective intelligence, leadership strategy, and distributed services can be mobilized to accomplish this transformation in services for companies whose physical locations are distributed across jurisdictional areas.

Building Relational Capital

Relational capital is described as value that is created and maintained by having, nurturing and managing good relationships. Relational capital is framed as the totality of relations between a firm and its main stakeholders and is operationalized through image, customer loyalty, customer satisfaction, link with suppliers, commercial power, negotiating capacity with financial entities, environmental activities, etc. (Bronzetti et al., 2011). Relational capital has many definitions. It is generally explained with words such as alliances, exchange, resource, social network processes, relationships, relations, customers, suppliers, employees, and cooperation, internal, and external in the arena of management studies.

It is generally acknowledged that (networks of) relationships are at the core of innovation ecosystems shaping the behavior and outcome of all stakeholders as well as the system-level effects (Hwang and Horowitz, 2012). This perspective is further corroborated by Burke (2011) who argued that: "Innovation is about people. Once you remove the obstacles to entrepreneurship, the most important ingredient is the network." Moreover, Rossiter (2011) states that collaboration relationships and interdependence between network partners are among the key determinants of successful business networks. The ability to connect and manage competencies across a broad network of relationships is considered as one of the most important meta-capabilities for a networked world (Wind et al., 2008) and is commonly referred to as network orchestration (Russell et al., 2011; Nambisan and Sawhney, 2011). Effective network orchestration requires awareness of resources, cultivation of relationships, and social cohesion sufficient to support the adoption of change.

CNI Program Objectives

Brazil's CNI and its industry system are charged with responsibility for consolidating itself as the leading business organization engaged in promoting growth and competitiveness of the Brazilian Industry, playing an essential role in the development of the country. Success in accomplishing change across the ecosystem of Brazilian enterprises depends on relationship service strategies and customer service offerings for innovation and change. The local availability of education, technology and innovation, health and safety services sourced through the CNI industry group is at the heart of the programs of three operational entities that are integrated under the CNI industry system - SESI, SENAI, and IEL - each of which is operationally administered at the state and regional level. Programs of these three entities often

serve the same enterprise. It is not unusual for divisions of an enterprise to have locations in several states, thereby affecting a matrix of program offerings to various locations of a single enterprise. For example, a worker health education service may be delivered at locations to several branches of a Brazilian enterprise through SESI-s units throughout Brazil.

Services from several CNI affiliated programs may be offered to a division of an enterprise that is newly opened in a new region. Such programs and services have been developed by their local unit and have typically been offered by that unit, independently of other programs serving the same enterprise.

Establishment of a network of collaboration across the regions and across the agencies is vital to accomplish the best services to Brazilian companies - many of which have operations in multiple states, as well as internationally. The success of this network is based on the development of relational capital among the service agents, opening opportunities for them to assist each other in scaling up successful program, while simultaneously delivering customer-focused, locally relevant services.

Gamification

Transforming complex and large organizations is a challenging task for managers all over the world. Differences in culture, organizational structure, business processes, lack of common interest and understanding of product portfolio, communication bias, etc impose a barrier for people, from the same community of practice, to change and move toward the same direction.

Today, many large and complex organizations are using games to engage people to transform their business processes as well as the way they work (Byron Reeves, 2009). Games motivate people to work as teams, by challenging them to reach new common goals with social reputation.

By gamifying business processes, including training programs, companies can stimulate people to transform their attitude and culture with the use of alternative and simulated virtual reality where time, space and situations are no longer a barrier for communication and knowledge exchange, creating memorable and transforming experiences for the members of the community of practice.

Description of the Game

A game-based training program was developed to build relational capital among a cohort of national, regional and local change agents. The interactive experience simulates industry system's customer service through regional products and the national portfolio of products and services. The interactive experience stimulates assistance given to clients in the Brazilian Industry System, in a practical and immersive way.

The goal of this game-based staff intervention is to introduce a new strategic positioning; moving from a supply-led conventional approach towards a demand-led, consultative market-oriented approach, providing articulated solutions to enterprises

of distinct industry sectors.

The objective of the game is to present a new strategic positioning; shifting from an on demand performance to a consultative and proactive performance, providing articulated solutions in networks of services. Using individual knowledge and team collaboration, solutions to client needs are proposed in a competitive game using services selected from an existing portfolio of services available from a variety of organizations located across Brazil.

This is the first known instance of constructing and using a multi-player game to building relationship capital and cross-agency knowledge. The gamification experience is a platform to strengthening collaboration towards a customer-focused culture among stakeholders and market agents of SESI, SENAI and IEL. Program agents play a competitive team game on an interactive digital platform to identify program resources for hypothetical companies. Players accumulate points for awareness of services offered by programs in other regions and for collaborating to build customer-oriented program and service offerings.

The experience was launched in 2013 and is being applied in 27 Brazilian States, in operational units of SESI, SENAI and IEL reaching approximately 7 thousand people in 2014, different stakeholders of ranging from top management positions to technical levels.

By understanding both the importance and social transformation power of games and gamification in business environment, CNI has partnered with a social and technology innovation company in Brazil, called Sabia Experience, in order to deploy an innovative social experience game which simulates real life situations where the change agents of Brazil's CNI are challenged to make business decisions during a negotiation process with virtual clients.

The social experience game, called "Networked Service Challenge", uses innovative integration of storytelling, gameplay and technologies, combined with real life authentic contents, in order to provide rich experiences for the players, cooperating in teams and competing against other peer teams, spread all over Brazil.

The teams are exposed to simulated market demands from diverse industrial companies and are challenged to select, from a national CNI Portfolio, the best products suitable to the virtual client's demands. During the game, players must make decisions as individuals and as small teams from 4 up to 10 people.

The social experience game uses different platforms such as PC's, tablets and an innovative, patented 2-screen group computer, called weCog, where groups have rich multimedia experiences, interacting with a multi-touch and multi-user table. Typically, groups of up to 200 people can play the game at the same location, at the same time, by using 20 weCogs and 40 tablets, accessing off-line and on-line contents. The

game has 2 phases, where the players have to face 2 simulated negotiations with virtual clients from 2 different sectors, Food, and Oil & Gas Industries.

The players get points when they make good decisions, as individuals and as groups, by selecting the best products from the CNI National Portfolio, which address the right needs of the virtual clients with the best sale proposal. The players also get bonus points according to the speed of their decision. To make the best decisions, the players should study and understand the story of the client and his problems, the industry demands, the CNI products, organized in the National Portfolio, discussing with the team members and choosing the best offer, using less time. Usually each round of the game lasts 1 hour.

Players access information and make decisions by interacting with an easy-to-use and friendly interface, which simulates an office at CNI. All the contents and interfaces were designed to be authentic to the players, so that the change agents can easily identify themselves as members of CNI community of practice.

Results

A national competition, involving nearly 7 thousand people from CNI, has been in place for the last 12 months and the first results indicate its tremendous success. The feedback from CNI's change agents has been very positive in terms of motivation and marketing skills education for the whole community. Impact of the relational capital-building game is being evaluated as collaboration among programmatic units in different states and from different agencies has increased, in service of Brazil's companies.

Therefore, short-run goals were achieved, evidenced by testimonials, such as follows:

*"The tool is excellent, it promotes interactivity, it promotes the evaluation, market perception, dialogue, rapport and also promotes synergy. It's great!"
Jones Lima, State of Amapá (North Region)*

"The tool is wonderful ... it is enticing ... it makes you wonder what is the best way to serve the customer with all the solutions that we have within the Industry System and it also motivates the team ... It boosts our willingness to work." Carla Plentz, State of Rio Grande do Sul (South Region)

"I had high expectations because this is a innovative work. A colleague of ours said something very interesting. The program creates ecstasy and adrenaline and I think this will add to networking and engaging all at SESI, SENAI and IEL." Luiza Maia, State of Paraíba (Northeast Region)

Other observable effects of the initiative are the increase in engagement levels to client services by market agents across Industry System's entities; improvement of

participation of top managers in marketing and services strategies; and improvement of operational alignment between CNI Industry System units at the state and regional levels.

Discussion

The implementation phase of the game-based program shows that, although its goals were reached in the short-run, time is needed for assessment of performance results in the long-run. Lessons learned from the program's launch and the first regional implementations are four-fold. First, due to the complexities, size, and long-standing tradition of the organizations involved, a client engagement platform, using gamification experiences on a more continual basis, should be designed. Second, a measurement system of performance results should be envisioned for assessing the expansion of relational capital among the change agents of CNI and its industry system. Third, in a networked world, both opportunities and constraints through and organization's network of relationships are difficult and costly to manage. Fourth, mobilizing networks through the gamification of processes can help boosting synergistic relationships that promote growth of ecosystems.

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