

MATCHING VALUES AND ALIGNING GOALS IN THE INITIATION OF BUSINESS RELATIONSHIPS

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ABSTRACT

This study had the aim of finding sought after values in collaborations between start-ups and consultants from large agencies. It was placed in the context of Skills-based volunteering (SBV) and the initiation of a collaboration between the two parties, facilitated on a matchmaking two-sided platform, which is designed by the two first authors. The study tried to respond to the following questions 1) why a platform immediate this cooperation and, 2) how to design for matching values to generate trust? The authors firstly discuss theory and empirical research regarding challenges of initial user acquisition to multi-sided platforms. Secondly, a design project is presented focusing on developing a platform to facilitate more collaborations between start-ups and consultancies in Norway by creating mutual benefits. The article contributes to generate knowledge on how to improve, enhance and manifest SBV collaboration. This is also a topic for future design education, which should add more emphasis on collaborations between start-ups and consultancies and adjust education towards possibilities and trends in SBV.

Keywords: Matchmaking, start-ups, consultants, shared values, business initiation

1 INTRODUCTION

Norway is facing a large societal shift with a growing population of elderly and a shrinking oil and gas industry. Start-ups can contribute to developing radically new products and services [1] and hence might play a significant role in meeting socio-economic shifts in the years to come. Yet, 73,5% of startups in Norway are insolvent within the first 5 years [2] and one of the main reasons for this is the lack of IT competence [1]. In Norway over 3000 IT jobs were not filled in 2020, and companies are dependent on importing IT related competencies [3]. Many authors claim that knowledge is a resource that can be traded, sold and like IT competencies – imported. It can also be donated or gifted away for example in the form of skills-based volunteering for example by consultants between assignments, or by newly employed team members. However, non-billable time is sometimes regarded as ‘worthless’ and is often unstructured [4]. According to [4] approximately under 35% consultants viewed their non-billable time as used constructively and less than half of the time was spent on activities that were planned and goal directed. Consequently, consultants use a significant part of their non-billable time on activities that don’t create value for them, or anyone else. These knowledge resources could be used in Skills-based volunteering, and especially when related to IT, might be able to meet some of the demand for start-ups. The second section of this article explores skills-based volunteering to utilise surplus knowledge resources in IT consultancies to make more start-ups succeed. The third section presents a design project on developing a platform to facilitate collaborations between start-ups and consultancies in Norway by creating mutual interactions. Section four discusses challenges and benefits of the platform and section and possibilities for start-ups, consultancies, and society in general. Conclusively section five summarises findings and discusses SBV as a topic for design education and research to improve academia-stakeholder collaboration.

2 REASONS AND POSSIBILITIES FOR SBV

Even though a business's top priority is to generate wealth for its owners and shareholders, community engagement becomes increasingly relevant. This concept is often referred to as Corporate social responsibility (CSR). [5] defines CSR as ‘actions of the firm that advance some social good, beyond the immediate interests of the firm and its shareholders and beyond that which is required by law.’ [6] (p. 132) Skills-based volunteering is one form of CSR where an employee donates valuable expertise. At

the same time, the employee learns from the experience and gains new skills, which ultimately also benefits the company which donates [6]. The same authors define SBV as ‘a strategically driven activity that involves employees donating job-related skills and acquiring or developing skills through voluntary contributions to an external non-profit organisation that requires certain skill sets.’ (p.3). The highest gain through SBV were interpersonal skills. 78% of companies in their study reported in a study by Vian, McCoy, Richards, Connely, and Feeley [7] (2007) that their employees gained ‘professional and personal skills’. Booth, Park, & Glomb, [8] (2009) found that 79% of the survey participants had gotten better at interpersonal skills. A formal setting is important for SBV [9] and if an employer markets these formal volunteering programmes as a way for their employees to gain skills, there is a higher rate of participation [9]. Learning return increases with the time spent volunteering [10]. The perceived safety of the learning environment plays a significant role when acquiring new skills or practising old ones [10] and volunteering programmes often provide this [11]. An example given by Dempsey-Brench & Shantz [6] is Deloitte’s IMPACT Day, where employees get the opportunity to practise work-related skills in a safe environment while doing something for the greater good. Dempsey-Brench & Shantz [6] (2021) found however that some volunteers did not like the gained experience and skills from volunteering but meant it was immoral to gain something when you were supposed to give. Conclusively, the benefits of employees and companies depend largely on the collaboration with the receiver. Cook and Burchell [12] (2018) found that both gain more from SBV if the collaboration is good and leads to in-depth collaborations [12]. To find the right match between companies and receivers the design part of this course developed a brokerage platform between IT consultants and start-ups that ensures a good balance between supply and need. This solution is getting more and more common [12]. The mechanisms presented in {Table 1} illustrate interactions and touchpoints in business relations that are relevant when designing a platform and designers can use them as initial starting points when designing interactions. While this summary proposes a framework for how to initiate relations, designers should not assume that trust and trustworthy actions are designed simply by using a system [13].

3 DESIGNING FOR TRUST

Generating sustained trust is one of the deciding factors of successful partnerships [14], especially when facilitating the exchange of knowledge and information [15] such as in SBVs. The project presented in this article, “Muttu”, is part of an assignment in the PD9 course at the Department of Design and comprises a theoretical and a practical part. Muttu is a platform designed to motivate users to share their knowledge and skills, contributing to the ease of interaction [16]. This will help reduce the transaction cost of social interactions when forming business relationships [18]. Dikken, [15] (2000) explains how, if executed well, trust reduces the complexity, uncertainty, and transactional cost between business relations on a platform. Evans & Schmalensee, [16] (2013) describe how, when designing a platform, it is important to manage processes and paths of relationally embedded ties to grow firms. Relational embeddedness between relations has three benefits 1) trust in each other’s competence, 2) social trusts and 3) goodwill trust as highlighted by Hite [18] (2005). The mechanisms in {Table 1} below illustrate an evolution between trust building stages which may be considered when designing a platform for establishing SBVs. These mechanisms are developed through extensive literature search on platforms, trust and network effects. They suggest a framework for how to initiate relations, while it is important to mention that designers should not assume that trust and trustworthy actions are designed simply by implementing the mechanism [19]. In total sixteen mechanisms were found across thirty relevant articles from within the domain.

Table 1. Mechanisms and functions in preinitiation and initiation phase

Mechanism of matching values	Function	Initiation phase	
Preinitiation phase		Learn about each other	Decreasing distance between parties
Discussion of self-interests and collective interests	Communicating one's own interest and finding collective interests	Attitudinal input	Creates safeguards as an effect of shared values
Map out internal competences	Identifying complementary assets	Face-to-face communication	Contribution towards trust development
Map out roles of influencers, decision makers etc.	Clarification of which person does what	Utilize a joint history of interactions	Mitigates learning about each other's competence
Assessment of readiness level of technology	Identifying tasks and costs associated with production	Aligning parties' interests related to the relationship.	Reducing conflicts
Open communication of difficulties and challenges	Allocation of correct resources	Develop systems of rewards and penalties	Learning about each other
Develop a shared roadmap of non-confidential aspects	Facilitates communication with potential partners	Simplify coordination	Making more efficient information exchange and uninterrupted learning
Communicate needs through sharable roadmaps to position the start-ups with complementary resources.	Position technology with complementary resources needed	Sharing responsibility of project management	Easing communication and decreasing perceived asymmetry
Monitor and inform upcoming milestones and their criticality	Contributes towards predictability	Establish goals for skill development	Developing skills
		Develop corporately aligned goals	Starting a valuation of collective benefits above self-gains
		Capture non-confidential aspects as a roadmap for communication	Identifying factors that may change the business model
		Create engagement other than formal meetings	Getting a feel for the start-up culture
		Schedule regular review meetings, updates, etc.	Managing the partnerships processes
		Agree early on overarching principles	Clarifying expectations
		Document all interactions	Ensuring track-record in case of disagreements
		Manage transitions	Creating consistency throughout changing participants of the relationship
		Review the partnership	Provides insight to strategical review processes

4 PLATFORM DESIGN

The main goal of Muttu is to facilitate a more efficient use of knowledge workers by connecting the need for specific technical expertise from start-ups with a supply of it coming from Norwegian IT consultancies. The design part of Muttu includes development and deployment of a digital matchmaking platform. The proposed value proposition of Muttu highlights consultancies' chances for showing a societal contribution while adding valuable experience to their portfolio, and ultimately helping more start-ups succeed. To achieve continuous and accurate development, a user-centred design approach has been employed for the initial platform structure and interface design. The project has also used the three design lenses for innovation popularised by IDEO to reflect upon the different aspects of development. Throughout the design work potential end-users have been included from both sides of the platform through interviews and a workshop. In total 7 start-ups and 7 consultancies, all from Norwegian industry, have participated to develop this project. 50 conversations with potential users through sales of the platform have also contributed to learning to know the user better. A literature study observing both social and societal aspects of skill-based volunteering has helped lay out the background of the project, anchoring it in theory. Resulting insights from interviews with both startups and consultants defined pain points {Table 2} for both parties to address when designing the platform. One of the crucial factors for startups, that the authors wish to highlight in this paper, is a reverse proportional coherence between their ability to submit well-defined project specifications and their size. This means that more mature companies could sufficiently define a project's length, complexity, and requirements whereas newer companies struggle in doing this. From the consultant's side it is worth highlighting that this user group needs predictability when taking on projects like those relevant to Muttu's services. The reasoning being that leaving a project prematurely is damaging to the reputation of both the individual consultant and the consultancy.

The requirements for the design of the service provided by the platform were developed based on feedback from end-users to guide the project and to function as criteria to measure the performance of our flow. A list of five requirements were highlighted by the authors as the most important ones. 1) The process should be as short and precise as possible, 2) startups should be able to better specify their needs

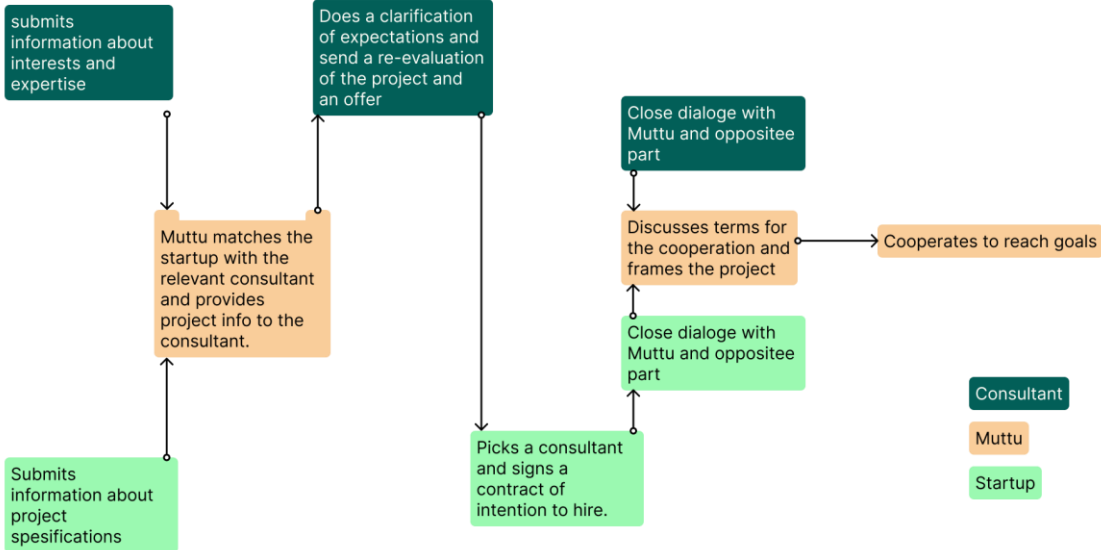
and projects, 3) startups should have increased possibilities of comparing consultants when hiring, 4) consultants should have increased efficiency in communicating their expertise and availability to startups, 5) consultants should to an increasing degree be able to choose between projects aligned with their interests. By combining the mechanisms from {Table 1} with our requirements, we designed the service flow of the digital platform as illustrated in {Table 2}.

Table 2. End-users pain points related to the service flow



The outline of the service flow (see Table 3) is aiming to build trust and to benefit start-ups in hiring talent through information sharing within the process. First, information about the start-up’s needs for a project or period is described and delivered to Muttu simultaneously as consultants register their expertise and availability.

Table 3. Muttu’s service flow



Currently, Muttu uses this information to match the two parties together. In the future it is planned to be a semi-automatic matchmaking process using algorithms. After matching the parties together in pairs, Muttu suggests start-up projects to consultants based on their expertise and interests. Within this match there is information about a non-confidential roadmap of the project, as well as information about competencies which should contribute to building a trust in competence. The consultants will then comment on and possibly change the project specifications through a roadmap and project description, before submitting a proposal to the respective start-up chosen. This step is meant to reveal an initial commitment and align both parties' goals. Finally, the start-up selects an individual or a team of consultants for their temporary hire before arranging a face-to-face meeting physically or digitally together with Muttu as a third-party actor. Together a discussion about terms and conditions about the cooperation is facilitated before the actual work is executed. Currently, as of February 2023, the platform is in its testing and developing phase while a pilot project is conducted. The digital product is being evaluated by end-users while being developed in parallel to reach a goal of releasing a beta-version within May 2023. The pilot is a closed alpha where different steps of the service's processes are carried out manually by people from within the company.

5 BENEFITS AND CHALLENGES OF THE PLATFORM

The platform is functioning as a brokerage between the two parties, and this comprises challenges and benefits for the users, the value created and the learning experience. As a brokerage, the platform can largely dictate who can use it, and what they can use it for. This creates a safer environment for fragile start-ups to thrive, as the platform can ensure that untruthful consultants get kicked out of the platform. It can also create a safe and effective learning environment as consultants can choose which start-ups they want to work with and can see the same information from all of them and make a more informed choice. The platform also ensures better quality control over what the start-up needs help with. By engaging in collaborations without the platform, the information shared between the two parties are not quality checked. On the platform, both the case the start-up provides (the learning opportunity for the consultant) and the expertise the consultant provides (the help the start-up needs to solve their problem) are guided, so the two parties know what they get to a larger degree. The largest benefit in the context of learning is that the platform facilitates learning in a real situation. The consultant can learn in an environment that is in the real world which is much closer to the situation they need to use their newly gained skills in their work afterwards. By fusing a learning activity with value creating activities, the consultant gets a much larger toolbox of arguments of why they should engage in the activity, and they create value for the community. There are also some negative sides of creating a platform like the one presented in this paper. The first, and most preeminent, is that the consultant needs to have basic knowledge of the thing they want to do on a case presented by the start-up. For the service to bring value to the start-up, the consultant needs to have expertise to offer the start-up. At the same time, the consultant needs to gain new skills or knowledge for it to be worthwhile. There is also a limit on what learning categories can be offered, and for whom. Not all skills can be gained through this method, and not every industry can use the platform to gain new knowledge.

6 SUMMARIES OF FINDINGS AND EDUCATION POSSIBILITIES

Start-up's need consultants who know of the start-up's situation when hiring. This suggests that consultants which know the domain that the start-up is working within are favourable and maybe crucial. Start-up's also highlight how they prefer hiring long-term employees as it contributes more towards building internal expertise within the company. When hiring short-term employees' start-ups mention specific tasks that are well defined as a possible solution to their problems. From the consultants' side the importance of information about the project was highlighted. Meaning sufficient information about duration, relevance, payment, and goals for the project is necessary to decide on whether an allocation of a consultant's time is worth it or not. It was also highlighted that consultants need sufficient information about the details and goals of the project, as they need to set up specifications for the project before taking on the work. Lastly it is important to mention that consultants often want to work within a domain or task from outside of their expertise, which in turn will affect the supply of expertise on the platform.

Conclusively, connecting different economic stakeholders for exchange and knowledge generation on a voluntary basis is comparatively new in design education but the platform development project contributes greatly to develop innovative design management and collaboration approaches. Socially,

skills-based volunteering in companies impacts for example sustainable transitions, technically collaborative platform design responds among others to the new paradigm of agents-based technology that replaces object-oriented design [20]. Agent-based modelling is a relevant method for design education for both interaction design and design management. For NTNU design curricula this relates especially to the MA course TPD4166, Design strategy, where students are required to develop innovative processes with organisations to facilitate communication and interaction, thereby learning to manage strategic design processes. Designing collaborative design management platforms for e.g., IT consultants and start-ups as in the case above does not just facilitate interaction of different actors but also allows to pool regional and national forces and make use of intellectual resources in a time that is globally constraint by economic and political drainage.

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