Introduction
In August 2010, Naveen Chopra, then senior general manager and head of Plant Quality for the Automotive Division of Mahindra, one of India’s largest vehicle manufacturers, attended a seminar on the topic of the co-creation paradigm of value creation[1]. Chopra recalls, “It’s such a simple, commonsense concept once grasped, but it also provided a structure and principles for daily use.” Co-creation emphasizes the need for creative collaboration and enhanced communication and co-ordination among stakeholders, and Chopra was constantly striving to improve precisely these practices across the five operating sites of Mahindra’s Automotive Division, a subsidiary of the conglomerate Mahindra Group. He decided to experiment with co-creation thinking by applying its principles first in the quality function. This case looks at the results as the experiment expanded[2].

Applying co-creation thinking
Central to co-creation thinking is engaging external and internal stakeholders – including customers, employees, suppliers and dealers – to create value together through platforms of engagements and environments of interactions, purposefully designed and configured to address the interests and needs of participating individuals (see Exhibit 1, “Embracing co-creation thinking”).

At the outset, implementing co-creation thinking often requires getting people to see “what’s different” about this approach, so in September 2010 Chopra drafted a short presentation on co-creation thinking in the quality function, sharing it initially with his immediate colleagues and then with his wider quality team across the five plants. As head of Plant Quality, Chopra started to tackle the practicalities of communicating co-creation thinking, together with a core team representing different functions – including manufacturing, supply chain, and dealer channel management[3]. The team put together several examples of co-creation in action, and also communicated more precisely how it worked in practice. For example, they explained that it was not about just getting feedback but it also involved sharing experiences and experiential learning[4]. They put together a set of six steps that captured the essence of implementing co-creation thinking to promote transformational change. These steps are:

1. Identify key stakeholders and increase their willingness to engage.
2. Set up platforms purposefully designed to engage individuals more co-creatively, with environments of interactions configured around people’s “lived” experiences.

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3. Identify and support new co-creation champions.

4. Expand the circle of stakeholders and joint value creation opportunities.

5. Deepen the impact and enable the viral spread of “win more-win more” value creation in the enterprise ecosystem.

6. Engage stakeholders across private, public, and social sectors to expand wealth, welfare and well-being for the benefit of all.

Here’s how the six steps were implemented at Mahindra & Mahindra:

1. **Identify key stakeholders and increase their willingness to engage**

   The first step was to consider who the key stakeholders were and then select a group to work with. The core team decided to begin by involving employees. They looked specifically at building employee capabilities by enhancing their knowledge and skills. The team decided to form a small group of engineers, each with about ten to 25 years of specialist automotive experience, and enable them to pass on their knowledge and expertise to dozens of younger colleagues. The team identified specific stakeholding individuals from the pool of engineers who could benefit from this type of knowledge sharing.

   **Lesson learned.** Deciding up front who exactly should be part of the co-creation conversation is not always easy. The best approach is to simply invite interested individuals and groups to interact directly and to reach out to others along the way.

2. **Set up platforms purposefully designed to engage individuals more co-creatively, with environments of interactions configured around people’s “lived” experiences**

   The team established an engagement platform – in this case, “live” monthly workshops – where the whole group could meet to share knowledge and experiences. These were led by a voluntary cadre of experienced engineers who took on the role of trainers. The meetings were more than just about talking shop. To be effective, they required an honest approach...
from all participants, based on mutual respect, openness and the willingness to experiment. Typically, a workshop would focus on a specific theme, with one or two seasoned engineers passing on their expertise to their junior colleagues.

Between workshops, the groups would document their learning and jointly create an internal training module on the subject, which could be run at any time and updated as necessary. Throughout the month the team focused on making workshop design changes by asking participants how their experiences could be improved and how the platform could be more valuable.

In just two to three months, the platform had enabled specialized knowledge sharing and training to be rolled out at high speed with hardly any extra cost to the company. In the ensuing 18 months, around 50 similar modules were created, with 400 to 500 employees benefiting.

**Lesson learned.** The scope of interactions allowed by the platform will gradually increase as the intensity of value creation increases, allowing the co-created outcomes resulting from the platform to be more valuable to stakeholding individuals.

3. **Identify and support new co-creation champions**

Co-creation initiatives have less chance of scaling up and succeeding without other co-creation champions to "fan the spark and spread the fire of positive energy." Nachiket Kodkani, head of Manufacturing in the automotive division joined the co-creation journey, becoming a co-creation champion. He enlisted his own core team, beginning with an experimental program in engagement of contract labor. Through this program, by asking contract employees for ideas and giving them the ability to self-organize, the Mahindra officers were able to achieve their quality-related goals more consistently. The manufacturing team then tackled core areas in the production process, including redesigning the manufacturing shop floors by setting up internal platforms of engagements.

As Kodkani notes:

> I realized co-creation has a different kind of power that is latent in it. It actually gets into a "win-win" situation and achieves right customer-centricity at the end of it. We have now been able to move toward a better, focused approach. In the past, we made assumptions in our thinking about what creates value. If you consider co-creation, it is really a joint approach. It is about being there, right on spot, together with stakeholders. In this age of resource shortages, the right way to tackle problems, issues, and challenges is through co-creation. The results have been exceptionally good. We have solved problems faster, generated new ways of doing things which have also been adopted faster, and overall, become not only much more efficient and effective at the same time, but have a new team spirit in the organization.

**Lesson learned.** The ability to scale co-creation transformation enterprise-wide and in the ecosystem in which it operates depends upon identifying and supporting influential new champions of change in related parts of the enterprise ecosystem.

4. **Expand the circle of stakeholders and joint value creation opportunities**

The growing team, expanded to include stakeholders in the areas of plant quality and manufacturing, looked to enlarge the circle of stakeholders in Mahindra’s quality function — namely, suppliers and dealers. In the case of suppliers, the joint team first considered how
Supplier meetings could improve mutual understanding, cooperation and collaboration. If supplier capability could be augmented, it was reasonable to expect that quality would improve too, with both parties “winning more.” Instead of taking the traditional approach of first finding fault with the suppliers and urging them to take corrective action, efforts were made to consider how they interacted with Mahindra. Suppliers were encouraged to share their experiences.

There was initially some suspicion among suppliers about the dialog process, which was natural because Mahindra was their customer, but by the end of 2010, some 80 suppliers were on board, with this effort producing the desired results. In the case of dealers, as with the suppliers, traditional meetings were reformed into a more effective engagement platform, with emphasis placed on seeing issues from the dealers’ perspective and supporting them. Further, stakeholders who were typically not part of the quality conversation, such as auto repair mechanics, were involved in sharing their knowledge – about vehicle defects, failure modes and problem-solving solution, and they also were invited to Mahindra’s plants. Again, both Mahindra and the dealers reaped the benefits, from addressing vehicle defects to shaping new product features, including more productive relationships and faster cycle times. Some dealers initiated co-creation thinking in their own businesses. As a result, defects for top dealers reduced significantly. New diagnostics for dealer technicians and new product knowledge enhancement through training sessions on focused topics resulted in getting service right the first time, while also gaining a better understanding of part failures based on actual field experiences.

**Lesson learned.** As this example shows, initiating ecosystem-wide change requires expanding the circle of stakeholders, thus revealing new opportunities to bring together sets of stakeholders and communities. Enabling them to engage together can create new co-creative capacities in the enterprise ecosystem.

**5. Deepen the impact and enable the viral spread of “win more-win more” value creation in the enterprise ecosystem**

By early 2011, word of Chopra’s success with co-creation was spreading within Mahindra, with other area executives beginning to see its potential to transform their own functions. This initial success soon caught the attention of senior management levels in Mahindra, particularly Pawan Goenka, president of the company’s Auto and Farm Sector and a member of its senior leadership team. As momentum continued to build, a co-creation workshop for about 350 managers was held in April 2011 where several people shared their experiences. By the end of August 2011, six more executives had become co-creation champions. Further, co-creation began to spread in the extended supply chain network.

This is crucial to the success of Mahindra Automotive because an automobile typically has more than 5,000 parts, with Mahindra manufacturing core components such as the engine, transmission, and body in its plants and with as much as 70 percent of parts coming from a network of suppliers. While Mahindra engages primarily with tier 1 suppliers who provide sub-assemblies and systems, tier 1 suppliers in turn procure components from tier 2 suppliers. However, these tier 2 suppliers are small to medium enterprises with limited resources and skills, often with traditional practices and lacking exposure to modern
Methods. Following the co-creation workshops, Mahindra began involving over 400 tier 1 suppliers – both officers and operators – in “co-creation competitions,” inviting the best entries to share their “Kaizen, Pokayoke, and Quality Control”[5] stories, first with Mahindra senior management and then across the tier 1 network.

The popularity of this program was a positive surprise for Mahindra management, which assumed that the suppliers would be hesitant to share practices with each other. In reality, however, the alternate thinking of learning by sharing facilitated by Mahindra began to spread as tier 1 suppliers starting seeing the power of creating value together as an example of “win more-win more.” Once this took root, tier 1 suppliers began to engage tier 2 suppliers, inviting Mahindra to participate as well. For Mahindra this was a unique opportunity to promote comprehensive holistic growth and the improvement of tier 2 suppliers’ productivity, quality, cost, delivery, safety and morale. And so, Mahindra enabled a “supplier cluster” platform of co-creation engagements at the tier 2 level – facilitated by tier 1 suppliers – bringing together groups of five to 15 co-located tier 2 suppliers manufacturing similar products for a common shared purpose of improvement and for achieving agreed deliverables[6]. This has also resulted in transforming the culture of tier 2 suppliers, working together with tier 1 suppliers and positively affecting quality and delivery at the tier 1 level, and subsequently enhancing automotive quality overall at Mahindra. Over 10,000 supplier personnel have been involved to date, with about 30 clusters having been formed, and over 50 lean management projects executed.

As Mahindra’s vice president of operations, H.D. Aher, notes:

> Co-creation has become a unique practice in Mahindra […] We are making efforts to take it through all the sectors, and even to all our stakeholders, […] It is a great concept where we can work together and create something new where both parties are immensely benefited.

Lesson learned. A key to effective implementation involves linking together platforms and their environments of interactions across value chain activities. In scaling co-creation in the enterprise ecosystem, interactive and experience-based technology not only helps to make co-creation communities more generative, but also more inclusive.

6. Engage stakeholders across private, public and social sectors to expand wealth, welfare and well-being for the benefit of all

In November 2011, the company held a workshop involving over 1,000 Mahindra employees, suppliers, dealers and even its other non-traditional stakeholders, such as banks and educational institutions. As a step toward wider societal responsibility, the principles and successes of Mahindra’s co-creation journey were shared with this broad spectrum of business and social stakeholders. In turn, local banks and school have learned to create platforms to engage their own stakeholders.

Lesson learned. As individuals’ and partnering enterprises’ joint interests expand, they create value together through a multitude of channels and interactions. Jointly building co-creative capacities of an enterprise’s ecosystems increasingly entails a convergent engagement across the private, public and social sectors.

“Instead of taking the traditional approach of first finding fault with the suppliers and urging them to take corrective action, efforts were made to consider how they interacted with Mahindra. Suppliers were encouraged to share their experiences.”
Co-creative cultural transformation

The payoffs of building co-creative enterprises include greater creativity and productivity, lower costs, lower employee turnover, new business models and new sources of stakeholder and enterprise value. In a truly co-creative enterprise, leaders at all levels must go beyond the conventional institution-centered “cascade and align” view of management to an individual-centered “engage and co-create” view. To do this, organizations must design and support engagement platforms – both face-to-face forums and online discussions – that offer stakeholders the opportunity to debate, discuss, and establish priorities and participate fully.

The next big question for Mahindra is whether the transformation would continue to evolve and become embedded throughout the enterprise. So far, it has been a remarkable “bottom-up” approach, starting with the crucial building of a quality culture at plant and process level, which is now spreading into the company’s ecosystem. Now there is the potential to rejuvenate many key areas, such as strategy, performance management and customer-facing functions. But top-down commitment is needed, too, because co-creation brings many changes and further implications. The signs so far are encouraging.

Says Anand Mahindra, chairman and managing director of Mahindra & Mahindra:

“The co-creation mantra is now embodied in the three basic tenets of the Mahindra Group – accepting no limits, thinking alternatively and driving positive change in everything we do. The next steps at Mahindra are to harness the power of technology and social media to move the crucial engagement platforms beyond face-to-face workshops, to achieve wider geographical and enterprise ecosystem impact. For a widely diversified conglomerate like Mahindra & Mahindra, further development of digital forums will enable the enterprise ecosystem to scale co-creation and share its best practices and make its principles, methods and tools more easily accessible throughout its many functions and divisions. The challenge is to achieve a balance between co-creation and the management systems of the conglomerate enterprise. As with any real transformation, it will take time and the efforts of new champions at the corporate level in other areas.

Examples of these co-creation champions include Namrata Gill, VP, Human Resources, and other leaders who have engaged with many different internal functions in developing a collective corporate identity – Mahindra Rise. Further, the co-creative engagement of manufacturing operators in training, competency enhancement of employees and talent development of officers proceeds under the guidance of Prince Augustin, Exec. V.P., Group Human Capital and Leadership Development. Likewise, platforms for co-creative new product development now involve the marketing and branding functions together with communities of consumers, including the launch of new vehicles. And finally, Mahindra has also engaged change-makers across India through a societal engagement platform (www.sparktherise.com). Thus, the culture of co-creation has become part of Mahindra’s DNA, and continues to evolve.

To bring this case up to the present, Naveen Chopra, having taken on a new role in 2012 as senior general manager, head of Vehicle Engineering, is now working with his new colleagues in Mahindra’s Automotive Division to adopt the principles of co-creation in their specialization of vehicle design.

Notes


3. Naveen Chopra would like to thank his M&M core team of Mahendra Bhamare, Manish Saluja, Himanshu Gupta and Sanjay Patel.

4. See *The Co-Creation Paradigm*, for many examples.


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