**About the transformation process**

* *Description* of the transformation process *followed*
* Process likely to lack structure and linearity
* Possibly continuous change or punctuated equilibrium

**RESEARCH QUESTION 3**

*What is the nature of the organisational change process that a manufacturer follows when servitizing to compete through advanced services?*

**RESEARCH QUESTION 2**

*What contextual factors, internal and external to the organisation, holistically affect the progression of a manufacturer through the transformation process to compete through advanced services?*

**RESEARCH CONTEXT**

* Servitization of the manufacturing firm
* Servitization as an innovation of an organisation’s capabilities and processes
* Transforming or transitioning to deliver advanced services
* Transformation as a process of organisational change

**About the stages in transformation**

* Stages form the basis for analysing how process unfolds
* Efforts to bypass stages seldom yield a satisfactory result
* Mistakes in any step can slow implementation

**RESEARCH QUESTION 1**

*What stages of transformation does a manufacturer follow when servitizing to compete through advanced services?*

**About the factors affecting transformation**

* Contextual factors are central in shaping transformation
* Interplay between *context* and *process* rarely examined
* Strategic and holistic *process* also rare

Section 2.2

Section 2.3

Section 2.4

**Figure 1.** Summary of the theoretical framing of this study

*Exploration*

*Engagement*

*Expansion*

*Exploitation*

The innovation team started to explore how much value could be created by properly managing tyres and which technologies might help their customers

Exploring relevant industrial examples through benchmarking visits to the leading manufacturers in servitization

The appointment of a new VP for innovation who promoted a highly customer-centric form of business model innovation, identifying the customer’s pain points and how to create value for the customer

Creation of significant interest and sense of urgency due to the acquisition of a telematics company by the key competitor

Restructuring of the Innovation Team to streamline the initiative and communicating the benefits and risks with the wider teams

Development of initial experiments

Secure further investment to do more customer experiment projects

The nomination of a senior champion to drive the initiative commercially

The launch of the ‘Proactive Services’ offering in Europe

Creation of several integrated global teams to roll out the advanced service offering in North and South America

Bringing in several related workforces in marketing, operations and sales to launch the service business in Europe

Promoting the initiative, its benefits and risks among other regions such as Asia and Australia by the Global Innovation Team

Strong resistance from the senior management team in North American business on improving the product quality rather than introducing new service-led business models

Collaboration agreement with a leading telematics provider

The appointment of a senior VP to further move the advanced services initiative forward in the US

Developing plans for strategic acquisitions to expand services offerings globally

Expanding and exploiting pro-active and advanced services portfolio in Europe to serve new customer base

2015

2016

2017

**Figure 2.** Timeline of the servitization process events and actions for Case A

***Expansion***

Increasing the scale and speed at which advanced services are innovated and implemented, until significant value is demonstrated within the organisation.

***Exploitation***

Seeking to optimise innovation and delivery of an advanced services portfolio, unless business is adversely disrupted.

***Engagement***

Seeking to evaluate and demonstrate advanced services, until the potential is accepted within the organisation.

***Exploration***

Searching and finding out about the concept and the implications of competing through advanced services, until the organisation is confident that the opportunity exists.

**Organisational Commitment**

*Common internal factors that act across all stages*

**Customer Pull**

*External context factors about the market environment that affect progression*

**Organisational Readiness**

*Internal context factors about the organisation that affect Exploration and Engagement Stages*

**Value Network Positioning**

*External context factors about value network structure that affect progression*

**Technology Push**

*External context factors about digital technologies that affect progression*

**Figure 3.** The servitization progression model