

### Cocreating IT Value: New Capabilities and Metrics for Multi-Firm Environments

#### Guest Editors

Varun Grover, Clemson University ([vgrover@clemson.edu](mailto:vgrover@clemson.edu))

Rajiv Kohli, College of William & Mary ([rajiv.kohli@mason.wm.edu](mailto:rajiv.kohli@mason.wm.edu))

**Submission Deadline:** October 15, 2009

#### Motivation and Overview

After two decades of business value of information technology research, organizations continue to question how IT creates and delivers business value. However, over the past few years, a fundamental transformation has been taking place, where *multiple organizations* leverage IT, raising important new issues that cannot easily be addressed by current IT value research.

Most research on IT value has examined relationships between IT investments and organizational outcomes. More recently, the thesis has expanded to examining complementary resources, capabilities and other mediating factors in value creation. However, given the centrality of the IT value question to our field, it is important to expand the agenda to include how to best cocreate value from IT in multi-organizational forms.<sup>1</sup> These forms raise new issues of value creation, risk allocation, complementary investments, capability building, adoption, absorption and incentives among collaborating organizations.

The special issue focuses on understanding how IT value emanates from digital capabilities in multi-firm environments. The intent is to encourage researchers to respond to this call by improving theoretical development and metrics for such environments, ultimately increasing the pragmatic value of IT value research.

#### Contemporary Research Questions

Recent research in the business value of IT has raised several questions that must be addressed. Kohli and Grover<sup>2</sup> (2008) articulate the cocreation of IT value as a theme for future research. They propose that we need to understand how IT-based value is cocreated and shared among multiple partners in multi-company relationships.<sup>3</sup> The focus of this call is simple. Rather than

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<sup>1</sup>V. Dhar and A. Sundararajan, "Information Technologies in Business: A Blueprint for Education and Research," *Information Systems Research* (18:2), 2007, pp. 125-141.

<sup>2</sup>R. Kohli and V. Grover, "Business Value of IT: An Essay for Expanding Research Directions to Keep Up With the Times," *Journal of the Association for Information Systems* (9:1), 2008, pp. 23-39.

<sup>3</sup>N. Sharaf, C. S. Langdon, and S. Gosain, "IS Application Capabilities and Relational Value in Interfirm Partnerships," *Information Systems Research* (18:3), 2007, pp. 320-339.

understanding IT value from a single organization's perspective, we look at multiple organizations and the issues that epitomize this broader unit of analysis. By emphasizing how joint value is created, we can evolve from the largely transactional perspective in current research and start examining how *different* companies with *different* IT can *join together* and create *new value*. The following cases provide a few illustrations of IT's role in cocreating business value.

Firms offer value by digitizing products or services, enabling novel business processes, and by replicating and commercializing them. Two or more firms can engage in cocreating products or services and business processes which, once perfected, can be replicated as products for a wide market. An electronics manufacturer and a large retailer cocreated an IT-based forecasting and replenishment system. Together, they reduced inventory costs and improved product availability. Now the process is being developed as a commercial product for use by other manufacturers. Similarly, IT can facilitate cocreation of business capabilities. By electronically sharing the bill of materials with the tire manufacturer, an auto maker cocreated "sequencing" business capability whereby tires were delivered to the auto assembly lines in the order of the vehicles coming off the assembly line. This IT-enabled process streamlined distribution for the tire manufacturer, reduced inventory and carrying costs for the auto maker, and created an inimitable business capability for both companies.

What is also interesting when firms are co-creating value with their network partners is that this value can be measured at both the individual firm level and at the network (or dyadic) level, as shown by the formulations of Straub et al.<sup>4</sup> in their study of logistics providers and their clients. IS researchers who can offer innovative ways to measure value in these special settings are deepening our understanding of the phenomenon.

An objective of this special issue is to further our understanding of IT-based joint creation of business capabilities, products, processes, and services. The special issue encourages research that facilitates understanding of what and how *business capabilities* drive value and how value is realized in this multi-firm setting. Further, emerging organizational forms demand better metrics that inform how value is derived from *new domains of value* such as agility, flexibility, and first to market. Within the broad themes above, we encourage disciplinary and interdisciplinary research on how, when, and where IT plays a crucial role in cocreating capabilities, products, processes, and services as well as new ways of accurately assessing the value created.

Topics for the special issue include, but are not limited to

#### *Co-Creating IT Value*

- IT-based open innovation networks and value
- Linking business and information capabilities in multi-firm environments
- Typologies of joint IT-based value and digital capabilities
- Cocreation of digital capabilities in supply chains

#### *New Capabilities and Metrics*

- Measuring intangible sources of interorganizational IT-based value
- Measuring business value from IT-based interfirm collaboration
- Business value emerging from e-marketplaces
- Generating and tracking contemporary metrics of business value
- Caveats to realizing digital value in networks of firms

#### *Multi-Firm Environment*

- IT's role in jointly identifying new customers and markets
- Collaborative digital capability creation and realization of value
- Role of IT in creating agile and efficient network of firms

The special issue invites scholars to submit papers that examine the role of IT/IS value from economic, behavioral, strategic, and organizational and other novel perspectives. We welcome papers deploying diverse theoretical and methodological perspectives.

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<sup>4</sup>D. W. Straub, A. Rai, and R. Klein, "Measuring Firm Performance at the Network Level: A Nomology for the Impact of Digital Supply Networks," *Journal of Management Information Systems* (21:1), Summer 2004, pp. 85-118.

## Deadlines and Submission Instructions

Submissions to the special issue are due no later than October 5, 2009. All submissions must adhere to the formatting guidelines for MIS Quarterly (see <http://www.misq.org/roadmap/standards.html>). Submissions should be made electronically to <http://mc.manuscriptcentral.com/misq>.

The review process will proceed as follows:

1. All submissions will be screened by the Guest Editors and only those that (a) fit the theme of the Special Issue and (b) have a chance of successfully negotiating the review process will proceed.
2. Successful papers will then be carefully matched with an appropriate Associate Editor that has agreed to serve on the Special Issue Editorial Board. The Guest Editors will inform the AEs on why they believe the paper has potential and request the AEs to provide an independent assessment. Disagreements will be resolved through consultation. Successful papers will proceed to the next stage.
3. In the full review process, a paper will go to two additional reviewers including those from the Special Issue Editorial Board. A decision on the paper will be made after no more than two review cycles (twice back to the reviewers).
4. Submissions that are received earlier than the schedule shown below will be processed immediately. The dates shown below represent the time frames for each stage in the process and so papers that are received earlier will be handled using the same timing parameters.

Important dates for the Special Issue on Cocreating IT Value are

- Submissions due: October 15, 2009
- First round of decisions: February 2010
- First round revisions due: June 2010
- Second round decisions: October 2010
- Second round revisions due: January 2011
- Final decisions announced: March 2011

## Special Issue Editorial Board

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