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Corporate Value Creation with and for Stakeholders

Strategic success, understood in a traditional and general sense, can be seen as a corporation's long term survival or as a position in its environment that allows it to excel over its competitors (e.g. Barney et al 2010, Porter 2008, Teece 2009). The stakeholder view, which is a strategic approach to stakeholder management on the other hand, defines success more broadly as value creation for a corporation and for its stakeholders (Post et al. 2002, Sachs et al. 2008; 2009; Sachs, Maurer 2009). Thus seen, the stakeholder view suggests the following: Value creation needs to be broadly defined to acknowledge the strategically relevant stakeholders of a corporation, and the definition of value creation is an interactive process that includes stakeholders. However, the crux of putting this value creation process into action lies in actually interacting with the relevant stakeholders. Whereas many corporations are aware of some of their stakeholders, only few identify and integrate them systematically into their value creation process, as our empirical investigations show (cf. Sachs et al. 2009). If corporations want to tap their stakeholder network as a source of corporate success, they need a system and a procedure to build a common ground with their stakeholders (see e.g. Freeman et al. 2007, Savage et al 2008, Windsor 2008). The aim of the presentation is therefore to provide a comprehensive approach, which we call the *stakeholder value management system*.

The *stakeholder value management system* gives insight into how firms can create organizational wealth with and for their stakeholders. The approach has been developed both as a theoretical extension of the stakeholder view and on the grounds of intensive case study research. The *stakeholder value management system* implies a concept of success that is developed in concert with stakeholders, rather than being defined from a firm perspective only. One of the key insights of the cases analyzed and the system developed is that the contents of value creation need to be defined in the field, together with the relevant stakeholders and based on the identified benefit potentials. Thus, success is defined in broad terms, involving the stakeholders in the discussions where benefit and risk potentials are identified and defined. This leads to a validation of the concept of success by the stakeholders involved and a more comprehensive commitment by stakeholders. In order for this to happen, our *system* provides a sound methodology that creates the conditions necessary to bring the relevant stakeholders together. By systematically exploring similarities before tackling possible controversial points, the *stakeholder value management system* has a considerable trust building potential. This is further supported by the confidentiality agreements and a neutral third party who facilitate the process.

Altogether, the *stakeholder value management system* respects the concepts and understanding of success as they are understood in practice rather than to purport a theoretical concept. The notions of benefits and risks, especially the latter, are common terms used in practice, to which the stakeholders can easily connect. The system therefore promises to support dialogue; at the same time, it can also be used with common practical approaches, such as the balanced scorecard or similar instruments.

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