

# Induced Communities of Practice Enhance Organizational Performance – The Case of Lilly Critical Care Europe

Pablo Erat, PhD<sup>a</sup>  
Anja Schäfer-Jugel, PhD<sup>b</sup>  
Mike Hughes<sup>b</sup>  
Monika Kurzawa, MD<sup>b</sup>  
Pablo Gonzales<sup>b</sup>

<sup>a</sup>Executive Insight, Switzerland  
pablo.erat@executiveinsight.ch

<sup>b</sup>Lilly Critical Care Europe

**Keywords:** communities of practice, customer communities, knowledge management, sales performance, pharmaceutical industry

**Suggested track:** - Communities of practice, knowledge networks and networking

## **Abstract**

This paper demonstrates how induced Communities of Practices (CoPs) can be initiated in combination with Customer Communities in order to increase profitability and develop a sustainable competitive advantage. The paper draws upon our experiences within Lilly Critical Care Europe<sup>1</sup> (Lilly CCE). The unique case study<sup>2</sup> highlights how induced CoPs were initiated to develop customer relevant competencies and transform them to customer solutions (i.e. internal integration) and how these experiences were leveraged to initiate Customer Communities (i.e. external integration). The investigation shows that Customer Community projects had a significant impact on European sales. During the initial 24 months, customers involved in community projects generated a sales increase that was 35.4 percent higher than the sales increase generated by customers not involved in such projects. Based on the findings, the paper presents critical success factors to be taken into consideration by other companies aiming at improving their integration through similar initiatives.

## **1 Introduction**

In the past, the core of business-to-business marketing was to create and transfer information about products and services to customers. Today, as a result of the Internet revolution, this information is becoming commonly available. Under these circumstances, traditional linear marketing and sales approaches have reached their limit because they simply do not create enough value for the target customers. The era of large armadas of pharmaceutical sales representatives storming customers with folders and messages created by marketing departments far away from the customer front is over.

If the role of sales representatives as simple “information providers” is becoming obsolete, how then could sales representatives add real value for physicians? Based on our experience in Lilly Critical Care Europe, we suggest that pharmaceutical companies transform their sales approach from a “Transaction Based Sales Approach” to an “Integration Based Sales Approach”.

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<sup>1</sup> Lilly CCE is a business unit of Eli Lilly & Company, founded in 1999, focusing on sales, marketing, customer- and medical services for specialty products in the critical care setting. At the time when this case study was done, Critical Care Europe had 150 employees across Europe and generated annual revenue of approximately USD 100 million. The majority of the revenue came from a single product ,which is high-end priced, complex, and has been in the market for several years. The drug is given exclusively in specialized centers.

<sup>2</sup> Lilly CCE is the only company in the health care industry with a pan-European competence-based approach and a marketing and sales strategy based on Customer Community enabling.

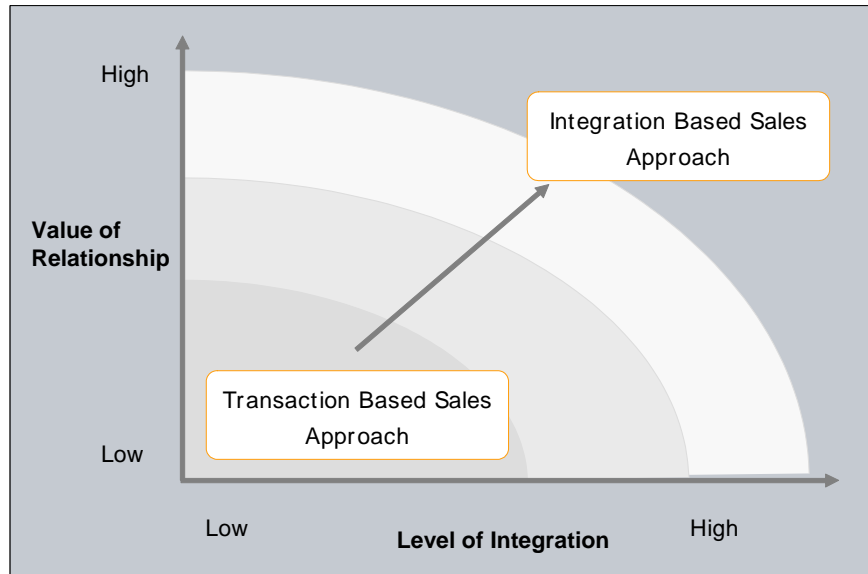


Figure 1: The emergence of a new integration based sales approach

The aim of the Integration Based Sales Approach is to create a maximum value for target customers by becoming more integrated both internally and externally. *Internal integration* refers to the extent of which a company is able to pool its knowledge and experiences across functional and geographical borders and ensures a systematic and fast development of customer solutions. Internal integration can be achieved, for example, through the development of Induced Communities of Practices (CoPs). *External integration* refers to the integration of customers into the value chain (e.g. for purposes of co-innovation) and the facilitation of knowledge sharing between networks of customers. External integration can be achieved, for instance, through the initiation of Customer Communities.

## 2 Theoretical Background

### 2.1 Theory of Communities of Practice (CoPs)

Lave and Wenger introduced the concept of CoPs in 1991. Since its introduction, the concept has gained significant interest and triggered a flood of academic contributions. At the core of the various CoP definitions, suggested by the literature, is the community purpose. The purpose is the fundamental reason why a group of people come together in a community. In general, people come together in order to develop a knowledge domain, shared practice, and social relationships. This contribution is based on the following CoP understanding suggested by APQC (2000): “Communities of Practice are groups of people who come together to share and to learn from one another face-to-face and virtually.” Contrary to other groups of people, such as “project teams” or “organizational units,” CoPs focus on the development of a knowledge domain and practice (von Krogh 2002; Wenger et al. 2002; Fox 2000; Brown and Duguid 1998); exist outside the formal organization (von Krogh 2002; Wenger et al. 2002), generate

the “drive” from within (e.g. Wenger et al. 2002; Wenger 1998a), develop a shared sense of identity (Diemers 2003; von Krogh 2002; Wenger 2000), and evolve and reproduce themselves over time (Skyrme 2002; Wenger et al. 2002; Barab and Duffy 2000).

## **2.2 Introducing Induced CoPs**

This paper introduces the term Induced CoPs. Contrary to traditional CoPs, Induced CoPs are aligned around strategic competence areas defined by senior management. The broad knowledge domain and strategic objectives are predefined whereas the participants volunteering to participate specify the elements of the domain and develop action plans to achieve the objectives. Within Lilly CCE, Induced CoPs are defined as an “interdisciplinary group of local experts empowered to develop and leverage a knowledge domain predefined by the management.”

Our experience within Lilly CCE shows that explicit goal setting does not jeopardize the momentum of the community. Looking over the border of our own industry, it appears that firms in other industries are currently having similar experiences. For instance, Richard McDermott (2004) recently noted, “when we first started using the concept of communities of practice, we thought having goals would tend to turn communities into task teams reducing member focus on building the capability of the community. But none of the communities with annual goals lost sight of their long term purpose of building the organization’s knowledge and capability.”

## **2.3 Definition of Customer Communities**

In recent years, firms have started to develop knowledge-based communities together with customers. In such communities, customers take an active role in the development of a shared knowledge domain and practice (e.g. Sawhney and Prandelli 2000). This type of Customer Communities can be very powerful for purposes of co-innovation and product/service development and improvement. If the concept is taken one step further, we arrive at a type of Customer Community where a supporting firm enables knowledge sharing between networks of customers without necessarily being a part of the networks themselves. Such enabling can be done through technological (e.g. collaboration technology) and organizational (e.g. workshops and events) means. The type of knowledge exchanged within the Customer Community is always work-related.

In this paper, the term Customer Communities is used as follows: “Customer Communities are groups of business customers, which are deliberately enabled by a firm and share a long-term need to exchange work-related knowledge through online and offline interaction.”

### 3 Increased Integration at Lilly CCE

The management of Lilly CCE soon realized that the organization needed to transform its sales approach. The sales force had to be restructured and realigned to create more value for customers instead of simply communicating the value of products or services to customers. In other words, the sales approach needed to be transformed from "transaction based approach" to "integration based approach."

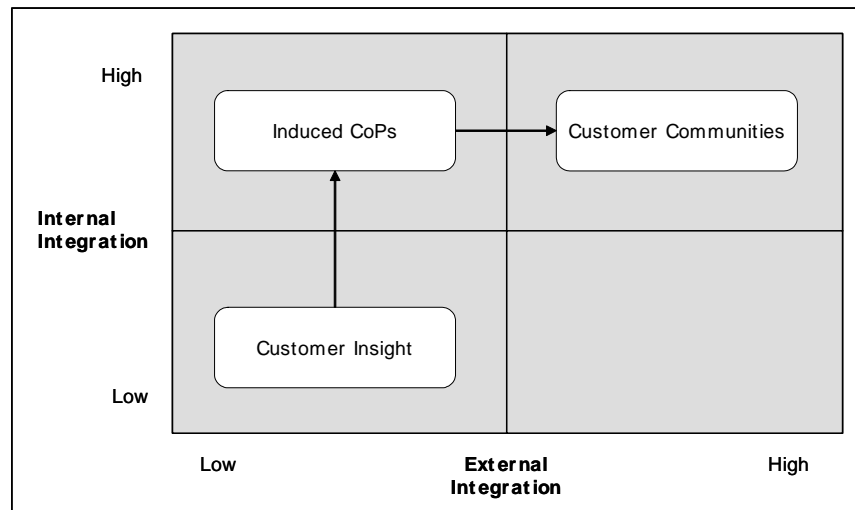


Figure 2: The pathway to becoming more integrated

As demonstrated in figure 2, Lilly CCE managed to increase its integration substantially through three major steps.

*First*, the business unit defined which customers to target and developed an in-depth understanding of these customers' needs. For this purpose, customer data was analyzed, customer targeting made, and in-depth interviews with customers conducted. Recently a new concept called "Customer Deep Dive" has been introduced. The approach consists of a highly interactive workshop in which customers are taken on an explorative dive into the future of health care and respective changes in the relationships between stakeholders and the emergence of new customer needs.

*Second*, Lilly CCE had to identify and develop competencies needed to build and provide solutions that would optimally cover the needs of target customers. In order to do so, a two-day knowledge workshop was organized where top management defined the most critical competence areas. The competence areas were drafted around current and anticipated needs of target customers. Subsequently, the areas were analyzed to identify gaps and areas of strength. Based on the results, the decision was made to initiate Induced CoPs as a vehicle to ensure systematic competence development over time. The main purposes of these communities was to pool critical knowledge and

experiences across functional and geographical borders and ensure a systematic and fast development of solutions for target customers.

*Finally*, the business unit started to focus on improving further its external integration by involving customers in CoP processes (e.g. to gain feedback about service ideas and involve customers in co-innovation) and by starting to facilitate knowledge sharing systematically between networks of customers. Ultimately, external integration allowed the business unit to create significant value by enabling groups of customers to form communities through online and offline support activities.

## **4 Increasing Internal Integration through Induced CoPs**

### **4.1 Implementation barriers on Induced CoPs**

The implementation of Induced CoPs was often challenging. Some of the most important barriers were related to (1) the lack of experience in informal leadership, (2) the varying level of member contribution, and (3) the lack of recognition of the communities within the organization.

#### **Lack of experience in informal leadership**

One of the initial barriers was the fact that the most suitable employees to lead the teams often lacked the experience of informal leadership. For instance, team leaders had to learn how to deal with situations where they lacked formal authority and members did not deliver or did not show up at face-to-face or virtual meetings. In order to tackle this challenge, we organized regular leadership training where team leading and specific challenges were addressed. During these trainings, the leaders had the chance to exchange openly experiences around challenges and solutions in every day leading of informal teams. In addition to the challenge of leadership skills, we also underestimated the effort and time that community leaders needed to invest in order to activate their communities. In fact, most leaders spent at least 30 percent of their total working time with community related activities. Most of the time was invested in trust building and communication facilitation. Even after a sufficient level of trust had been developed, the community leaders needed to infuse energy into the communities by reinforcing the team mission and objectives and ensuring that the individual roles and responsibilities were clear at all times.

#### **Varying level of member contribution**

In many cases, the community leaders were confronted with the fact that some members contributed less than others. There were different reasons for this variation. In some cases, the members simply struggled with combining their responsibility to contribute to the development of the community with their regular work. Many realized that participation in community activities made work richer, but also more demanding. However, we also had to realize that in some cases, we had chosen the wrong approach to identify and involve CoP members. Initially, we believed that we should identify and

assign members based on their job profiles and functions within the organization. This approach did not succeed. We figured out that colleagues who had volunteered to be part of the CoP outperformed their assigned colleagues with respect to contribution, irrespective of their official role within the organization. Additionally, we realized that community diversity (i.e. geographical and functional diversity) had a positive impact on the community's ability to "think out of the box" and generate innovative ideas and solutions.

In some cases, we realized that the members were not sufficiently supported or even hindered by their supervisors. We often encountered the problem that sales managers, supervising team members, were reluctant to let their subordinates spend time on community activities. This situation led to frustration among community members who felt "stuck inbetween." They wanted to contribute to the development of the community but did not receive the necessary support by their supervisors. In other cases, some supervisors misused the community participation as a kind of incentive for sales representatives that had performed well in their sales job.

Some of these problems occurred because middle level management had not sufficiently been informed or involved up front. Also, it was not completely clear to some of the community leaders if and how they should approach supervisors who did not turn out to be supportive of the community idea. We tried to tackle these challenge by discussing the issues with the respective members and communicating directly with the supervisors to inform about the importance CoPs for the organization and address the particular problems at hand. In addition, we increased the involvement of sales management in community activities.

### **Lack of recognition of community within the organization**

According to the community leaders, recognition of community work was one of the most important elements influencing team motivation. The lack of recognition sometimes suppressed the motivation and made the CoP work more difficult. In most cases, the lack of recognition was due to the fact that members of the organization simply were not aware of what the communities were doing. As a result, they did not know when to get in touch with the community and how to utilize the community knowledge. In order to overcome these problems, we implemented a communication plan addressing the different members of the organization. In addition, we helped the CoPs to promote themselves actively. Since it was often difficult to measure the quantitative performance of the communities, they needed to take the lead in capturing and promoting their achievements. The communication channels used were newsletters, online communities (collaboration platform), and a business unit journal. In addition, each of the members functioned as the local contact person and represented the community during sales meetings in their region.

## **5 Increasing External Integration through Customer Communities**

After the initiatives for internal integration were up and running, the business unit started to focus on improving its external integration further. To do so, customers were integrated into the activities of the Induced CoPs (e.g. to gain feedback about service ideas and involve customers in co-innovation) and the organization started to facilitate knowledge sharing between networks of customers systematically. In our discussions with Lilly CCE's management and the sales force, it became evident that the realization of the Customer Community strategy was highly challenging. For instance, Lilly CCE had to improve substantially its knowledge about customers, to be able to decide which customer segments to target with which kind of support offerings. Major challenges during the implementation phase were related to the development and orchestration of organizational competencies (e.g. medical competencies, technological competencies, marketing competencies and sales competencies) and the capability of sales representatives to deal with numerous difficulties during the planning, initiation and sustenance stage of Customer Community development. In the next sections, the most important challenges during the preparation and implementation phase are outlined.

### **5.1 Preparation barriers of Customer Communities**

During the preparation of the Customer Community initiative, the project team had to face various challenges. Some of the most important ones were related to (1) lack of customer insight (whom to target with which network services), (2), the necessity to combine competencies from different departments, (3) insufficient capabilities and mindset of sales representatives, and (4) insufficient existing communication channels.

#### **Lack of customer insight**

During preparation of the Customer Community project, it became apparent that the business unit lacked insight about which customers to target with which kind of services and solutions. Consequently, activities were initiated to capture customer data, segment the customer base, and explore customer needs. The critical question now became which services and solutions should be provided to which customers through which channels. In order to create a basis, the business unit carried out an investigation, including 120 physicians, with the aim to understand better the needs of its "high potential" customers. The findings of this investigation are summarized in the following box.



- Physicians consider the sales representatives to have room for improvement in the following areas: relevant and updated research results, new information about the product, unbiased product information.
- Sales representative performance in these areas strongly depends on the support of other organizational functions (i.e. marketing and medical).
- Physicians are highly computer literate (90 percent have a computer, 67 percent regularly use the Internet, 65 percent use the Internet for their work).
- The most frequent Web sites visited have one common characteristic: neutrality of the information offered.
- Physicians consider information provided by colleagues to be more trustworthy than information received by representatives of pharmaceutical companies.

Based on the insights generated in the investigation, the business unit started to develop support systems and organizational capabilities to deliver segment- and customer-tailored services. In the beginning, many of the efforts were focused to improve and develop services provided by the customer service center. Over time, however, services offered by the sales force were also closely observed. In particular, services related to Customer Community building were gaining attention.

#### **Necessity to combine competencies from different departments**

The initial community service solution that was offered to the customers consisted of three main dimensions. *First*, meeting and event services were developed to provide the communities with an offline context that optimally facilitated face-to-face interaction and knowledge sharing. *Second*, online collaboration services were developed to provide the communities with an online platform for virtual interaction and access to valuable information resources. *Third*, call center services were offered to provide customers with medical information or assist them in emergency situations. In order to be able to deliver these services in an optimal way, the required organizational competencies had to be defined and existing competencies assessed. Based on this assessment, new organizational competencies were developed and integrated with existing ones. The basic idea was to use the sales force as the main Customer Community service providers and to develop centralized and de-centralized capabilities to back up the sales representatives in their fieldwork. The central support was built upon the already existing customer service center capabilities (i.e. medical information and emergency services) and new services developed by the marketing team. The new services aimed to provide the sales representatives with optimal help in the form of Customer Community training, community formation consulting, treatment guideline development facilitation, and IT training and support.

In the process of developing new competencies needed to support optimally Customer Communities, Induced CoPs played an important role. In particular, a CoP called the “NetForce” had the responsibility to develop the organizational capability to initiate and support Customer Communities. The CoP pooled competencies from other CoPs, and the marketing and medical department to ensure an optimal support of Customer

Communities. The NetForce consisted of the most knowledgeable members in Customer Community building in each sales district. The membership did not depend on hierarchy; the team was assembled out of district sales managers, key account managers, and sales representatives.

### **Insufficient capabilities and mindset among sales representatives**

The change in the sales process was associated with significant challenges for the sales force. Sales representatives were expected to leave their traditional role as “information providers” and evolve into “community enablers.” This switch was highly challenging, as it required a mental shift and new skills from individuals. From an organizational perspective, the challenges were related to the development of a context that provided sales representatives with optimal support in their new roles. To enable the sales force to start building communities with their important customers, a training program was developed. First, a pilot training was prepared and executed with a selected group of sales representatives. During the pilot program, it also became clear that many sales representatives had a distorted view of the fundamental objective and purpose of the Customer Community project. Due to the fact that Lilly CCE was restructuring their sales force at the time, sales representatives were afraid that the project could ultimately lead to a substitution of sales representatives through Internet-based technologies. As a result, a communication plan was developed and a road show was conducted to the local sales teams. The discussions (face-to-face and virtual) with sales representatives helped to build trust and prepare the ground for subsequent training sessions. Based on the feedback received during the pilot, the final training program was developed. Within five months, all sales districts (80 sales representatives) were trained. The experience showed that there was a substantial time lag between the execution of a community training session and the kick-off of the first communities. It took the fastest participants around three months to transform the training insights to working Customer Communities. The delay was mainly caused by the difficulty of finding an initial time-slot when all members could meet. In some cases, it also took considerable time to identify and motivate the right customers to participate.

### **Insufficient existing communication channels**

To support Customer Communities to interact virtually and to give important customers direct access to medical content, a customer portal called “mednetwork.org” was developed. For legal reasons, the development and hosting of the portal was outsourced to an external agency. The portal had to be easy to use, customizable, complemented with valuable content applications, and free of corporate branding. In addition, the online community was designed to support optimally processes of knowledge sharing. The solution was divided into two basic areas: (1) a customized area restricted to members of a specific Customer Community (i.e. the online community) and (2) a standardized content/application area open to all members of the portal.

Before the portal could be launched, maintenance and support capabilities had to be developed. Lilly CCE had to ensure that (a) the content on the portal was continuously updated with valuable medical information and applications and (b) customers would receive optimal support in getting their own online communities going. The updating of medical content and applications was taken care of by the marketing team in cooperation with the customer service center. The support processes, for setting up and activating online Customer Communities, was managed by an external agency. This included the development of central capabilities in customizing communities and the development of decentralized capabilities among the sales force.

Due to the key role of the sales representatives in the Customer Community shaping process, it was natural to let the sales force take the lead in the virtual space as well. In order to do so, sales representatives had to be trained to become online community administrators (e.g. knowing how to set up, use, and adjust online communities). During the two-day community-training sessions, three hours were spent on learning and practicing how to administer online communities and how to demonstrate community solutions to customers. For this purpose, a training and demonstration CD was developed and online demo communities installed.

## **5.2 Implementation barriers of Customer Communities**

The success of the Customer Community Project, as measured by the number of Customer Communities formed, was overwhelming. Within the first two years, more than 50 communities were initiated. This section addresses what the main challenges for sales representatives were and how they dealt with these challenges. Some of the most important ones were the challenge to (1) find a suitable community leader and develop an optimal composition of members, (2) manage divergent interest and solve potential conflicts, and (3) facilitate communication and knowledge sharing between members.

### **Find a suitable community leader**

The case studies revealed that finding a suitable community leader was the most important challenge in the process of initiating a Customer Community. The criteria often used to assess the suitability of potential leaders were willingness to advocate the product, motivation and time to lead the community, and ability to influence potential community members. To identify the right customers, sales representatives often made a pre-selection based on sales data (e.g. customer potential and share of market). The final selection was based on discussions with potential community leaders. During these discussions, the community idea was elaborated and the interest and motivation of potential community leaders assessed. After identifying the right customer to lead the community, the challenge was to identify potential members that would fit into the community. Often the community leaders already had contact with potential members, so the most frequently adopted strategy was to start developing the core team around

these relationships. In some cases, however, the community leader did not know the potential members. In these cases, sales representatives worked with the community leader to define an ideal member profile and helped to identify potential members. Later on in the community evolution, the greatest composition-related challenges were participant fluctuation as a result of people moving, changing jobs, or simply losing interest. The challenge with the potentially largest impact was the change of community leader. It was crucial that the existing leader played an active role in finding and introducing a successor. The fluctuation of members was not only a challenge but also an opportunity. For many communities, a minimum level of fluctuation was important to develop the knowledge domain and keep up the momentum. For fluctuation to work this way, the community leader had to take an active role in introducing and integrating members. Also, it was helpful when, from the beginning, the participants agreed that a certain level of fluctuation was desired and they came up with an approach to handle it. To ensure the communities continued to function despite fluctuation, it was also advantageous to rotate responsibilities and roles within the community.

### **Manage divergent interest and solve potential conflicts**

In all communities investigated, conflicts of interest occurred. Due to the sales representatives' limited opportunity to influence the community discourse and activities directly, the most critical aspect was to come to an agreement with the community leader that ensured long-term firm interests. In these cases, it became significant to foster a solid understanding of members' interests, anticipate potential areas of conflict, and consider member interests when developing the community concept and solutions. To develop this understanding, sales representatives visited the potential members and discussed their experiences and insights with the community leader. Often, sales representatives had to take the interests of hospital administrators, such as pharmacists and controllers, and insurance companies into account as well. During the kick-off meeting, the participants usually started to come up with a community concept, including a shared community vision, mission, and goals. Through this process, community participants started to realize that the community was more than just a way to optimize the current situation. As a consequence, the discussions started to shift from a mode of "protecting own interests" to "maximizing joint interests." Obviously, sales representatives had a clear stake in the community. As well as developing their relationships with the community leader and the members, they wanted to increase sales. As they could not influence the community discourse directly, they regularly talked to the community leader about the development of the community and how cooperation between the leader and the firm could be improved.

### **Facilitate communication and knowledge sharing between members**

The cases demonstrated that the major communication-related challenges during the planning stage were to get the community leader to promote the usage of an online collaboration portal called "mednetwork.org" and to develop a solid understanding of

communication needs and requirements. To get the community leader to promote the online solution, sales representatives had to make sure that they really understood the application areas and comparative advantages. To come to this understanding, they, with the community leader, assessed communication needs and created a draft of the online community space. Discussing “look and feel” aspects of the community space and demonstrating how the solution could be customized to the needs and preferences of the leader turned out to be important. When the solution was presented to the community during the kick-off meeting, some customers were highly skeptical of the firm’s motives to provide online support, fearing that the firm would track their activities on the portal and misuse the information for sales purposes. The major challenge was to convince participants of the honest intentions of the firm and to generate enthusiasm for the portal. It turned out to be critical to ensure that the community leader was well informed about the solution and that he was aware of his role as a motivator during the introduction. During the demonstration, sales representatives could also show that the community space allowed for different levels of privacy. As well, it was vital to emphasize that all information in the community space was under the control of community members and that it was the property of the community. If critical doubts could be removed, the actual introduction of the community space and motivation could start.

### **5.3 Performance implications**

In 2001, when the strategy and concept of Customer Communities at Lilly CCE was developed, many members of the organization were skeptical about the impact of community initiatives on sales. Many did not believe that intensified “uncontrolled” knowledge sharing between customers could have the same impact as the traditional “controlled” knowledge transaction from the pharmaceutical firm to its customers. In a joint initiative with Lilly CCE, we explored the question of whether Customer Community initiatives have an impact on the economic outcome. The results of the survey indicate that these initiatives have a superior impact on sales development in comparison with other customer-related projects. With respect to the Europe-wide sales impact, the investigation reveals that during the initial 24 months, the overall sales development was 35.4 percent. In other words, the sales development of customers included in community initiatives was on average 35.4 percent higher, within the time period of two years, compared to the average market development.

## 6 Critical Success Factors

### 6.1 Success factors for internal integration

This section highlights some of the critical factors for the improvement of internal integration through Induced CoPs. *First*, CoPs should be developed based on sufficient Customer Insight (i.e. customer potential and needs) and Knowledge Insight (i.e. most important knowledge areas). *Second*, top management should participate actively in the promotion of the CoP strategy and a communication plan needs to be developed to involve all levels of the organization. *Third*, the CoPs need to be systematically supported through different dimensions such as training, coaching, team building, communication technology, and budgets. *Finally*, a periodic “Community Health Check” and a performance assessment should be conducted to identify development areas and design corrective action. The particular critical success factors are summarized in the following table.

Dimension	Success Factors
Customer Insight	<ul style="list-style-type: none"> <li>Build “customer insight” (e.g. customer potential and emergent needs) through systematic and continuous data capturing and analysis and “Customer Deep Dives”</li> </ul>
Knowledge Insight	<ul style="list-style-type: none"> <li>Identify the most important current and future knowledge and competence areas through a structured knowledge workshop</li> <li>Let the communities dwell into the knowledge areas analyzing the sub dimensions of each area and identifying areas of strength and weakness</li> </ul>
Communication and Promotion	<ul style="list-style-type: none"> <li>Ensure top management support and promotion of the CoP strategy</li> <li>Develop and roll out a “CoP awareness program” that involves all relevant internal stakeholders (e.g. through “train the trainer sessions”)</li> </ul>
Community Constellation	<ul style="list-style-type: none"> <li>Identify the right leaders with a high level of knowledge in the respective domain and good informal leadership skills (deal with the topic of informal leadership at the very beginning)</li> <li>Identify potential members, together with the leader, with a high level of knowledge in the respective domain and a high level of intrinsic motivation (ensure high level of diversity)</li> <li>Inform potential members and respective supervisors, together with the leaders, about the opportunity and consequences of community participation and ensure that all participation is voluntary and based on intrinsic motivation</li> <li>Rotate roles and responsibilities and replace members who do not contribute (allows community to evolve)</li> </ul>
Community Communication	<ul style="list-style-type: none"> <li>Develop a technological infrastructure (e.g. collaboration platform) that optimally supports community collaboration and train participants to use the technology effectively</li> </ul>
Community Leadership	<ul style="list-style-type: none"> <li>Conduct leader training in the areas of community initiation and informal leadership and provide personal coaching on a case-by-case basis</li> <li>Help community leader to prepare the community kick off as highly interactive event including elements of knowledge analysis, direction setting, and team building</li> <li>Provide the right mechanisms to keep the teams alive (e.g. reformulation of community mission and domain, introduction of new members, and replacement of existing ones)</li> </ul>
Community Assessment	<ul style="list-style-type: none"> <li>Develop concept to measure community “vitality” and contribution and conduct regular “health checks” and performance assessments</li> </ul>

Table 1: Critical success factors of internal integration

## 6.2 Success factors for external integration

This section highlights some of the critical factors for successful external integration through Customer Communities. Whereas, the improvement of internal integration makes sense for the vast majority of companies competing in knowledge intensive industries, external integration through Customer Communities only makes sense if certain basic preconditions are in place. *First*, a sales approach based on the development of Customer Communities requires that target customers have a substantial practical need for intensifying the interaction among each other and are willing to accept support from the company. *Second*, the strategy only makes sense if the company has superior products that profit from a higher awareness among customers or can profit from differentiation created through additional services. *Third*, the sales people involved in Customer Community development have to be able to transform their sales approach from “information transaction” toward “network consulting.” The following table provides a summary of the different factors we have identified to be critical for Customer Community building.

Dimension	Success Factors
Customer Insight	<ul style="list-style-type: none"> <li>▪ Identify the most attractive customer segments to be the target for your Customer Community initiatives</li> <li>▪ Conduct “Customer Deep Dives” to explore “hidden” customer needs and to develop ideas about value added community services</li> </ul>
Knowledge Insight	<ul style="list-style-type: none"> <li>▪ Identify the most relevant knowledge areas around which Customer Communities could be developed</li> <li>▪ Proactively approach target customers to discuss the knowledge areas and explore opportunities of community building</li> </ul>
Communication and Promotion	<ul style="list-style-type: none"> <li>▪ Ensure top management support and active promotion of the strategy</li> <li>▪ Develop and implement a communication plan addressing all levels of the organization (e.g. conduct a “road tour” to sales meetings to present the strategy and its implications)</li> <li>▪ Develop approach on how to communicate the community approach and respective services to target customers</li> </ul>
Competence Development	<ul style="list-style-type: none"> <li>▪ Combine organizational competencies from different functions (i.e. marketing, medical, IT) to provide the sales force an optimal support in their role as “community consultants” (e.g. through Induced CoPs)</li> <li>▪ Train the sales force in community preparation and initiation</li> </ul>
Community Constellation	<ul style="list-style-type: none"> <li>▪ Choose a leader with a high willingness to advocate the product, motivation and time to lead the community, and ability to influence potential community members</li> <li>▪ Identify potential members, together with the leader, who fit the community with respect to their knowledge, practice role, and motivation</li> </ul>
Community Communication	<ul style="list-style-type: none"> <li>▪ Develop technological infrastructure (e.g. collaboration platform) that optimally supports the collaboration within the Customer Community and allows for different levels of privacy (based on customer decision)</li> <li>▪ Ensure that community leader understands and actively promotes the communication solution within his or her community</li> </ul>
Community Interests	<ul style="list-style-type: none"> <li>▪ Anticipate members’ interests, potential areas of conflict</li> <li>▪ Involve all members in the development of the community concept</li> <li>▪ Mediate in case of conflicts and include external experts to solve problems</li> </ul>
Community Assessment	<ul style="list-style-type: none"> <li>▪ Conduct regular assessments of the ROI of Customer Community initiatives</li> </ul>

Table 2: Critical success factors for external integration

## **7 Conclusion**

To summarize, Lilly CCE managed to improve organizational performance and economic outcome through the systematic improvement of internal and external integration. The business unit unleashed the power of Induced CoPs to accelerate the development and application of critical competences across functional and geographical borders. These CoPs allowed the organization to take maximum advantage of the Pan-European structure and its rich local knowledge. Subsequently, the business unit leveraged its experiences to develop and initiate a Customer Community based marketing and sales strategy. The unit enabled highly influential customers to form communities that increased the knowledge of the customers and had a positive impact on the economic outcome of the organization.

Firms with superior and complex products in markets characterized by information asymmetry should consider developing their sales approach from a focus on “information transaction to customers” to “enabling knowledge sharing between customers.” They should allow their most knowledgeable employees to form Induced CoPs and enable important customers to form Customer Communities.



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