

# Research on enterprise performance management based on value co-creation theory

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**Abstract:** Based on the theory of value co-creation, this paper discusses the new connotation and system construction path of enterprise performance management in the context of the digital era. The study points out that the traditional enterprise-centered value creation model is difficult to adapt to the market demand, while the value co-creation theory emphasizes the co-creation of value between enterprises and consumers, which provides a new perspective for performance management. The paper elaborates the connotation of enterprise performance management from three levels: long-term value orientation of consumer collaboration, data-driven decision-making with consumer participation, and regular feedback mechanism of consumer evaluation, and proposes the performance management framework of “strategic planning, system construction, and cultural construction”. The study also proposes a performance management framework of “strategic planning, system construction, and culture building”. The study suggests that enterprises should strengthen the awareness of value co-creation, promote digital transformation, and formulate multi-dimensional performance evaluation indicators to fully reflect the results of value co-creation. This paper provides theoretical support and practical inspiration for enterprises to optimize performance management and achieve sustainable development.

**Keywords:** Value co-creation; enterprise performance management; digital transformation; consumer collaboration; strategic planning

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## 1.Introduction

Along with the rapid development of the digital era, the strategic business model of enterprises is undergoing a profound and unprecedented change. The core driving force of this change comes from the continuous cycle of iteration and upgrading of data elements and emerging technologies, which, like powerful engines, drive enterprises to creatively reconfigure and integrate their existing resources

based on the rapid changes in the external market. The deep penetration of digital technology into the production business process and organizational management model has opened up a new space for the development of real enterprises, and the dynamic chain transformation of production, distribution, sales and other links has given rise to a new mode of production and a new management concept (Jiao Yong, 2020) <sup>[1]</sup>. The new management concept

has gradually formed a performance management direction oriented to value creation. Academics have paid great attention to this, and current research mainly focuses on the performance evaluation of EVA (Guo Tao, 2012) [2], performance management of value creation (Liu Hanlin and Tang Chenxin, 2017) [3], optimization of performance management system (Gao Qing, 2018) [4], and other fields. This value creation strategy can promote enterprise business model innovation (Wang Qin, 2011; Luo Min and Li Liangyu, 2015) [5], marketing model transformation (Wu Yao et al., 2017) as well as value chain climbing (Qiu Ying and Guo Zhouming, 2019). The theory of value co-creation can be traced back to Vargo and Lusch's (2004) theory of value co-creation based on consumer experience, which emphasizes a shift in the business philosophy of service-dominant logic, and argues that firms should co-create value with consumers in order to shape a new core competency. This concept subverts the traditional enterprise-centered value creation model, puts consumers at the core of value creation, and realizes the transformation from "enterprise creates value" to "enterprise and consumer co-create value". Therefore, enterprise performance management based on the theory of value co-creation needs to evaluate the business performance of enterprises with both enterprises and consumers as the main body, and establish a multi-dimensional index system including financial and non-financial dimensions to comprehensively and objectively reflect the value co-created by enterprises and consumers, and provide powerful support for enterprises to make more scientific and reasonable strategic decisions.

## **2. Connotation of enterprise performance management based on the theory of value co-creation**

### **2.1 Long-term value orientation of consumer synergies**

Based on the theory of value co-creation, the primary concern of enterprise performance management is long-term synergy with consumers. This synergy is not only reflected in the co-creation of products or services, but also in the long-term value-oriented relationship established between enterprises and consumers. Enterprises have abandoned the traditional thinking of pursuing short-term sales surge or market share expansion, and instead of pursuing only short-term sales growth or market share, they are committed to deeply exploring and understanding the real needs and expectations of consumers, and co-creating value with them so as to build up long-term trust and loyalty. Enterprises can let consumers become co-participants in value creation and give them the right to participate in the product or service development process. This kind of collaborative cooperation not only helps to improve the quality and innovation of products or services, but also enhances the consumers' sense of identity and belonging to the brand, which in turn establishes a more distinctive brand image in the minds of consumers. Under the guidance of long-term value orientation, enterprise performance management needs to pay more attention to the cultivation and maintenance of long-term relationships with consumers, through the provision of quality services, the establishment of loyalty programs, respond to consumer demand, etc., the enterprise can continue to enhance consumer satisfaction and

loyalty, and thus achieve sustainable growth in performance.

## **2.2 Data-driven decision-making with consumer participation**

Consumers are not only recipients of products or services, but also co-participants in value creation. Therefore, enterprise performance management needs to make full use of the data generated by consumer participation to guide the decision-making process. In order to more accurately grasp consumer needs and expectations, companies need to collect and analyze a wide range of consumer behavioral data, preference data, and feedback data. Through in-depth mining and analysis of these data, enterprises can gain insight into the subtle changes and potential trends in the market, so as to formulate product or service strategies that better meet market demand, which not only helps to enhance the market competitiveness of products or services, but also brings more substantial economic benefits to enterprises. Enterprises can identify bottlenecks and deficiencies in the operational process by analyzing data on consumer purchasing behavior and usage habits, and then take targeted improvement measures. Enterprises are able to identify potential cost-saving opportunities, thus effectively reducing operating costs and improving the profitability of the enterprise. In the process of data-driven decision-making, enterprises need to pay attention to the accuracy and timeliness of data. By adopting advanced technological means, such as big data analysis and artificial intelligence, enterprises can realize real-time monitoring and intelligent analysis of consumer data, so as to respond more quickly to market changes.

## **2.3 Regular feedback mechanisms for consumer assessments**

Enterprise performance management requires the establishment of a regular feedback mechanism for consumer assessment. The core of this mechanism is to systematically and regularly collect and analyze direct feedback from consumers, and comprehensively review multiple dimensions of the products or services provided by the enterprise, including but not limited to the quality of products and services, innovation of R&D results, consumer satisfaction and loyalty and other key indicators. Through the regular feedback mechanism of consumer assessment, enterprises can identify problems and deficiencies in their products or services in a timely manner, and then make targeted improvements and optimization. At the same time, this mechanism can also help companies understand consumer expectations and trends, providing direction for future product or service innovation. In order to ensure the accuracy and effectiveness of consumer assessment, enterprises need to establish a scientific and objective assessment system. This system should include clear evaluation indicators, reasonable evaluation methods and processes, and a professional evaluation team. The design of evaluation methods and processes should take into account the rationality and operability to ensure the fairness and credibility of the evaluation results. In addition, enterprises also need to focus on communication and interaction with consumers, provide consumers with convenient feedback channels, and set up incentives to encourage them to actively participate in the evaluation process, give true and objective advice and feedback, so as to

deepen the connection and trust between the enterprise and the consumer, and lay a solid foundation for the long-term development of the enterprise.

### **3. Enterprise performance management system based on the theory of value co-creation**

#### **3.1 Top-level design: strategic planning**

Strategic planning is the cornerstone of an enterprise's performance management system, which determines the long-term development direction and goals of the enterprise. Enterprises need to define their vision, mission and strategic objectives to ensure that the performance management system is consistent with the overall strategy of the enterprise. Strategic planning should cover market positioning, competition strategy, product strategy, market development and penetration, supply chain management, marketing strategy, pricing strategy and performance evaluation to form a complete and coordinated strategic system. Under the strategic goal based on value co-creation, through in-depth market analysis and consumer insights, enterprises can determine their own market positioning and formulate corresponding competitive strategies, which should aim to co-create value with consumers, meet their needs and expectations, and build up the enterprise's differentiated competitive advantages. Strategic planning must be more focused on deep interaction and value co-creation with consumers, partners and other stakeholders. Therefore, enterprises need to formulate a clear strategic plan, including the way of interaction with consumers, partners and other stakeholders, the way and means of value creation, etc., to promote the synergy between

various departments within the enterprise to form a strong synergy, which will help to ensure that all the activities and decisions of the enterprise are centered on the co-creation of value, and promote the sustainable development of the enterprise.

#### **3.2 Main construction: system building**

System construction serves as the central framework of enterprise performance management, encompassing multiple dimensions to ensure efficient and sustainable value creation. This comprehensive approach integrates three critical mechanisms that work synergistically to drive organizational success. First, the performance assessment mechanism forms the quantitative foundation of the system. Enterprises must develop a robust evaluation framework aligned with strategic goals, incorporating both financial metrics and non-financial indicators (e.g., customer satisfaction, employee engagement). Advanced analytics and real-time dashboards can track these KPIs dynamically, enabling data-driven decision-making. Crucially, the system should incentivize value co-creation behaviors — for instance, rewarding teams for collaborative innovations with customers or partners. Modern enterprises increasingly adopt balanced scorecards that link individual performance to collective value creation outcomes. Second, the collaborative innovation mechanism transforms traditional R&D paradigms. By embedding stakeholders into the innovation lifecycle through digital platforms, enterprises gain direct insights into unmet needs. Automotive companies like Tesla exemplify this through over-the-air updates informed by driver feedback. Pharmaceutical firms similarly collaborate with healthcare

providers to accelerate drug development. Such mechanisms require structured processes for idea submission, evaluation protocols, and intellectual property management to balance openness with strategic control. Third, the communication and feedback mechanism establishes continuous improvement loops. Multi-channel systems ensure stakeholder voices shape operational adjustments. Leading organizations employ predictive analytics to anticipate needs before they're explicitly stated — Amazon's recommendation algorithms demonstrate this principle. Transparency in responding to feedback builds trust; some firms publicly roadmap how suggestions influence product roadmaps. Together, these mechanisms create an adaptive ecosystem where strategy execution, innovation velocity, and stakeholder alignment reinforce each other. When supported by digital agile governance, the system becomes self-optimizing — continuously evolving with market dynamics while maintaining strategic coherence. This holistic approach not only enhances short-term performance but also builds institutional capabilities for long-term resilience in volatile markets.

### **3.3 System support: culture building**

Culture construction serves as a vital pillar of the enterprise performance management system, profoundly influencing the organization's core values and operational dynamics. It acts as the foundational element that shapes corporate identity, aligns employee behavior with strategic objectives, and fosters an environment conducive to sustained performance growth. By cultivating a strong organizational culture, enterprises can unlock the full potential of their workforce, driving both

individual and collective excellence. A key aspect of this cultural framework is the promotion of shared value principles. Enterprises must actively advocate for collaborative value creation, emphasizing mutual benefits among consumers, partners, and other stakeholders. This approach helps establish a unified value system and behavioral standards, ensuring all parties work toward common goals. When employees deeply internalize these shared values, they become more engaged and motivated, transforming the enterprise into a cohesive value community. Such alignment not only strengthens internal collaboration but also enhances external partnerships, paving the way for innovative value co-creation initiatives. Equally important is the development of an innovation-centric culture. Enterprises should prioritize continuous learning and knowledge exchange by implementing platforms for internal idea-sharing and cross-departmental collaboration. Encouraging employees to draw insights from both internal and external sources stimulates creativity and problem-solving capabilities. For instance, hackathons, innovation labs, and open forums can serve as catalysts for groundbreaking ideas. By rewarding risk-taking and iterative improvement, organizations can foster a dynamic culture where innovation thrives, leading to the ongoing refinement of products, services, and processes. Moreover, integrating digital tools into cultural practices — such as AI-driven knowledge management systems or gamified learning platforms — can further enhance engagement and efficiency. Ultimately, a well-crafted corporate culture not only drives performance but also ensures long-term adaptability in an ever-

evolving business landscape. By embedding shared values and innovation into the organizational DNA, enterprises can achieve sustainable growth and maintain a competitive edge.

#### 4. Conclusions and insights

From the perspective of value co-creation theory, this paper elaborates the connotation of enterprise performance management from the three levels of long-term value orientation of consumer synergy, data-driven decision-making of consumer participation, and regular feedback mechanism of consumer evaluation, and further provides the path of "strategic planning -- system construction -- culture construction" for the construction of enterprise performance management system. --It further provides a path for the construction of corporate performance management system, which is "strategic planning - system construction - culture construction". The theory of value co-creation emphasizes the logic of service-led, and enterprise performance management needs to reflect the value created by enterprises and consumers at the same time, with enterprises and consumers as the main body. Based on this, this paper puts forward the following suggestions:

First, strengthen the awareness of value co-creation. Enterprises should first deeply root the concept of value co-creation in their corporate culture, so that it becomes the core concept guiding the behavior of the enterprise, and enhance the awareness of all employees of the importance of value co-creation. Second, strengthen the digital transformation of enterprises. The concept of value co-creation is based on the new business model generated by digital technology, which provides a digital platform for the new management system to interact with consumers and quickly respond to market demand, and is an important support for enterprises to realize value co-creation. Third, the development of an appropriate performance evaluation index system. The enterprise performance evaluation system should pay more attention to reflecting the value created by enterprises and consumers. The traditional financial-based evaluation system needs to be supplemented with indicators reflecting the results of value co-creation, such as consumer satisfaction, loyalty, and participation, in order to gain a more comprehensive understanding of the effects of value co-creation and provide a strong basis for future strategic adjustments.

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