



City Research Online

City St George's, University of London

Citation: Luedicke, M. K., Husemann, K.C., Furnari, S. & Ladstaetter, F. (2017). Radically Open Strategizing: How the Premium Cola Collective Takes Open Strategy to the Extreme. Long Range Planning, 50(3), pp. 371-384. doi: 10.1016/j.lrp.2016.07.001

This is the accepted version of the paper.

This version of the publication may differ from the final published version. To cite this item please consult the publisher's version.

Permanent repository link: <https://city-ref-test.eprints-hosting.org/id/eprint/15030/>

Link to published version: <https://doi.org/10.1016/j.lrp.2016.07.001>

Copyright and Reuse: Copyright and Moral Rights remain with the author(s) and/or copyright holders. Copies of full items can be used for personal research or study, educational, or not-for-profit purposes without prior permission or charge, unless otherwise indicated, provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way. For full details of reuse please refer to [City Research Online policy](#).

Radically Open Strategizing: How the Premium Cola Collective Takes Open Strategy to the Extreme

Marius K. Luedicke, Cass Business School, City University London, 106 Bunhill Row, EC1Y 8TZ, London, United Kingdom, m.luedicke@city.ac.uk, +44 20 7040 8687.

Katharina C. Husemann, Royal Holloway, University of London, School of Management, Surrey TW20 0EX, United Kingdom, Katharina.Husemann@royalholloway.ac.uk, +44 1784 443790.

Santi Furnari, Cass Business School, City University London, 106 Bunhill Row, EC1Y 8TZ, London, United Kingdom, Santi.Furnari.1@city.ac.uk, +44 20 7040 5132.

Florian Ladstaetter, University of Innsbruck, School of Management, Universitätsstraße 15, 6020 Innsbruck, Austria, Florian.Ladstaetter-Fussenegger@student.uibk.ac.at, + 43 512 507 72501.

Correspondence concerning this article should be addressed to:
Marius K. Luedicke, Cass Business School, City University London

Abstract

Whereas prior research has investigated cases of *partially* open strategizing, this article explores the practices and outcomes of *radically* open strategizing. We draw on a case study of the German Premium Cola collective to explore how it translates its principles of radically open agenda setting, participation, and governance into strategizing practices. Our analysis reveals that this collective performs radically open strategizing practices of distributed agenda setting, substantial participation, and consensual decision-making, but also performs counterbalancing practices of centralized agenda setting, selective participation, and authoritative decision-making in order to cope with practical barriers posed by information and power asymmetries between members as well as information overload. We find that these practices enable the collective to legitimize its strategic decisions, develop a collective identity, and maintain member motivation over time. Based on these findings, we conclude that radically open strategizing is a feasible practice, with limitations arising from participants making selective use of open strategizing opportunities, rather than being excluded from them.

Introduction

The making of an organization's strategy is commonly viewed as an inherently secretive activity that involves top management teams engaging in opaque competitive moves to lead the market while misleading rivals (Andrews, 1971; Lorente-Vicente, 2001; Makadok and Barney, 2001; Montgomery, 2008). However, over the last decade, several socio-cultural, technological, and organizational changes have contributed to the emergence of "open strategy" (Whittington et al., 2011), i.e. strategizing practices aimed at including more internal and external stakeholders and communicating strategic choices more transparently (Chesbrough and Appleyard, 2007; Dobusch et al., 2014; Dobusch and Müller-Seitz, 2014; Haefliger et al., 2011; Stieger et al., 2012).

This nascent literature has made important advances towards better understanding the practices, outcomes, and limitations of open strategizing. Thus far, however, research has focused on contexts where participation was not "even close to perfectly inclusive" (Whittington et al., 2011: 535). Existing literature thus draws its theoretical conclusions from cases in which stakeholders neither contributed throughout the entire strategizing process from idea generation through goal definition to decision-making, nor participated beyond the confines of an isolated open strategy project (Chesbrough and Appleyard, 2007; Dobusch and Müller-Seitz, 2014; Stieger et al., 2012; Whittington et al., 2011). As a result, we know little about organisations that take inclusiveness to an extreme by involving *all* stakeholders continuously and fully in strategizing. Given the growing interest in open strategy, it is worth while addressing the identified gap by formulating the following research questions: 1) What strategizing practices are performed by an organization that tries to be radically open, and 2) What are the outcomes that follow from this endeavour?

We address these questions with a case study of the Premium Cola collective (hereafter Premium); a Germany-based group of about 1,650 people that develop and market cola, beer, and coffee products under their "Premium Cola" brand name. Premium is a well-

suited case for our purpose, because this collective continuously strives to take open strategizing to the extreme by allowing all its stakeholders to set strategy agendas, participate in strategy deliberations, and contribute to decision-making at all times (i.e. being radically inclusive). Premium also makes the entirety of its discussions, decisions, and principles available on-line to the interested public, and thus strives towards radical transparency as well (Whittington et al., 2011). However, even though radical transparency is a key part of Premium's practices, we primarily use this case study to explore the intricacies of radical inclusiveness by unpacking the micro-level practices of radically open strategizing and their possible consequences.

To investigate how the collective's principles of radically open strategizing are translated into actual strategizing practices, and which outcomes these practices facilitate for Premium, we adopt a strategy-as-practice perspective (Jarzabkowski and Spee, 2009; Seidl and Whittington, 2014; Vaara and Whittington, 2012).¹ Using this perspective, we identified two key ways in which Premium performs what we term *radically open strategizing*.

First, Premium performs three radically open practices that we call *distributed agenda setting*, *substantial participation*, and *consensual decision-making*. These practices are entirely and always inclusive, posing no formal barriers for participation to anyone interested in Premium's strategizing. Secondly, Premium performs three counterbalancing practices that we term: *centralized agenda setting*, *selective participation*, and *authoritative decision-making*. By performing these practices Premium copes with three practical barriers of radically open strategizing, i.e. uneven access to information about Premium's business opportunities among members (information asymmetry barrier); a vast amount of input that must be digested in order to participate substantially (information overload barrier); and an uneven distribution of power within the collective (power asymmetry barrier). Although these

¹ Throughout the paper, with the term "practices" we indicate "patterns of repeated activities that are infused with shared meanings" (Furnari, 2014: 442; see also Jarzabkowski, 2005).

counterbalancing practices ostensibly contradict the collective's principles of radically open strategizing, they actually do not inhibit members from acquiring more information, following the email list diligently, or contesting authoritative decisions. Therefore, Premium members do not frame counterbalancing practices as problematic, but legitimize them as pragmatic ways of raising, deliberating, and deciding on strategic issues in spite of practical barriers.

Furthermore, our analysis shows that this configuration of radically open and counterbalancing practices enables the collective not only to make collectively legitimized strategic decisions, but also to continuously develop a collective identity and maintain a degree of motivation that led members to pursue the Premium for more than a decade.

This article is organized in four sections. First, we review the nascent literature on open strategizing practices and outcomes. Second, we introduce our empirical case, describe our data set, and explain our methods. Third, we report our findings about radically open strategizing in the Premium Cola collective. Lastly, we discuss the implications of our findings for existing and future research on open strategy.

Theoretical background: Open strategizing as practice

Open strategy research is part of a broader management literature investigating how “openness” affects organizations (Chesbrough and Appleyard, 2007; Faraj et al., 2011; Füller et al., 2006). In innovation research, where the idea of openness originates, scholars explored how companies may successfully include internal employees (Stieger et al., 2012), external crowds, lead users, or brand community members in their innovation processes (Von Hippel, 1986; Kozinets et al., 2008). In the domain of strategy, openness is a more recent phenomenon with only a few studies exploring it directly (Chesbrough and Appleyard, 2007; Dobusch and Müller-Seitz, 2014; Dobusch et al., 2014; Harrison et al., 2010; Mantere and Vaara, 2008; Schmitt, 2010; Stieger et al., 2012; Whittington et al., 2011). Consistent with our theoretical focus on strategy-as-practice (e.g., Seidl and Whittington, 2014; Vaara and

Whittington, 2012), we review this literature with an emphasis on practices and outcomes of open strategizing. As we discuss next, this literature tends to distinguish three interrelated domains of open strategizing practices, i.e., open agenda setting, open participation, and open governance.

Open agenda setting practices

A first domain of open strategizing involves practices of agenda setting, i.e. the practices by which strategic issues are identified (cf. Baumgartner and Jones, 1991). Existing literature shows how organizations grant internal and external stakeholders dedicated physical and virtual spaces for contributing to setting a strategic agenda. However, this research also shows that top management partially pre-defines the limits to what can become, or not become, a strategic issue.

For example, stakeholders were given a virtual space for contributing their views, expertise, and knowledge to company-configured strategic conversations, strategy jams, or strategy dialogues respectively during open strategy initiatives in companies such as J.P. Morgan, Shell, or Bachmann (Chesbrough and Appleyard, 2007; Harrison et al., 2010; Stieger et al., 2012; Whittington et al., 2011: 536). However, despite this notable increase in openness none of these organizations seem to have invited stakeholders to raise issues outside of the bounded episodes, to allow participants to challenge the decisions that the management derived from such open discussions, or to turn the aims and procedures of an open strategizing episode itself into an issue.

In these cases, open agenda setting thus remained encapsulated in the established power structures of hierarchical organizations, where stakeholders are invited to provide “information, views and proposals” (Mantere & Vaara 2008; Whittington et al., 2011: 536). If the goal is to explore the feasibility and boundaries of open strategizing, it becomes necessary to explore which practices and outcomes emerge when agenda setting is radically open and

thereby reaches beyond the confines of preconfigured, managerially controlled open strategizing episodes.

Open participation practices

A second domain of open strategizing involves participation in strategy deliberation, and particularly the question of to which degree participation is open to internal and external stakeholders. Existing research tends to portray open participation as a set of practices that range from inviting a limited number of employees to a short strategizing episode, to inviting everyone interested in an organization to participate in an extended strategizing project.

The Austrian manufacturing company Bachmann, for example, invited its employees to participate in a two-week long online dialogue about potential strategic directions for the company (Stieger et al., 2012). The Wikimedia foundation, in turn, invited all Wikipedia contributors to participate in a yearlong open strategizing project to explore future directions for the foundation (Dobusch and Müller-Seitz, 2014; Newstead and Lanzerotti, 2010). Whereas the Bachman case is obviously limited in terms of participation opportunities, Dobusch and Müller-Seitz (2014) showed that even the significantly more open Wikimedia project became limited through the existence of “off-wiki” (Dobusch and Müller-Seitz, 2014: 11) strategizing activities that excluded other “Wikimedian’s” from the process. Therefore, it seems that the Wikimedia project only “created the impression – if not the illusion – of ongoing participation” (Dobusch and Müller-Seitz, 2014: 19).

Participation was partially limited in all the empirical studies taken up so far, because stakeholders were either invited to merely participate in temporary “strategic episodes” (Hendry and Seidl, 2003), or they were not invited to participate in the entire strategizing process, from raising an issue to deciding on a strategic direction. As a consequence, it remains to be explored how open participation can be taken to the extreme by allowing substantial stakeholder participation on a permanent basis, across the entire strategizing

process—from idea generation, through goal definition, deliberation and decision-making, to implementation and revision.

Open governance practices

A third domain of open strategizing concerns practices of governing the organization and, importantly, making strategic decisions. In an open strategy context open governance means that an organization's leadership distributes its decision-making rights and responsibilities to a larger group of stakeholders, rather than limiting them to an exclusive circle of leaders.

Existing open strategy literature offers important insights into the ways in which leadership shares strategic decision-making rights with internal stakeholders. A large scale open strategy forum at J.P. Morgan, for example, shows how managers provided mid-level investment bankers with handheld electronic devices to “vote on [a] strategic direction,” thus forcing corporate strategists to accept even unwelcome outcomes (Whittington et al., 2011: 540). Similarly, authors working on the Wikimedia case show how Wikimedians were, in principle, acknowledged as equal agents in a democratic process and Wikimedia organizers framed as those who administer the process, but do not make decisions alone (Dobusch and Kapeller, 2014; Dobusch and Müller-Seitz, 2014; Newstead and Lanzerotti, 2010). However, Dobusch and Müller-Seitz (2014: 1) conclude from their analysis that the relationship between the Wikimedia organization and its members was also characterized by significant power imbalances which eventually resulted in “filtering practices...that allowed for the closing of an—at first sight—genuinely open strategy process”.

These findings resonate with related insights emerging from research on participatory organizations (e.g., Darr 1999; della Porta 2005; Chen 2016; Chen and O'Mahony 2009, O'Mahony and Ferraro 2007; Rothschild and Whitt 1986). This stream of research suggests that explicit attempts towards open governance often revert to less open practices, such as authoritarian decision-making. Radical openness is therefore *in practice* seemingly difficult if

not impossible to achieve (Chesbrough and Appleyard, 2007; Haefliger et al., 2011; Michels, 1962 [1911]). However, because studies on open strategizing practices derived its insights from cases of partially open governance, it remains to be explored what happens to such tendencies for closure when organizations try to translate radically open governance principles into practices.

Outcomes of open strategizing

The open strategy literature currently offers empirical insights into five distinct outcomes of open strategizing. First, the literature shows that open strategizing episodes such as strategy summits, jams, or dialogues enable companies to tap into “the power of collective intelligence” (Stieger et al., 2012: 47) and thus garner “creative contributions” from a larger group of stakeholders as compared to closed strategizing (Chesbrough and Appleyard, 2007: 73; see also Whittington et al., 2011). Given sufficient expertise, participation of a larger group of stakeholders is therefore considered “beneficial for the quality of [...] an organizational strategy” (Dobusch and Müller-Seitz, 2014: 2).

Secondly, prior research shows that participation in open strategizing can provide individual participants with a welcome space for “deeper-level personal reflection concerning [their] role, identity, and future in the organization” (Mantere and Vaara, 2008: 351), and thus motivate these participants and improve their overall commitment to the organization (Dobusch and Müller-Seitz, 2014; Whittington et al., 2011). Motivated participants who learn from each other and develop strategic objectives together not only tend to report a heightened sense of “real participation” (Mantere and Vaara, 2008: 353) and commitment, but also a stronger sense of “shared responsibility” for a strategic direction (Schmitt, 2010: 11).

Thirdly, while not exploring it in detail, the literature mentions that open strategizing also benefits organizational identity formation as it “facilitates interaction with and learning

from other consumers and users” (Dobusch, et al., 2014; Haeffliger et al., 2011: 302; Whittington et al., 2011).

Fourth, problems with information overload can counteract such positive effects where participants are required to digest an excessive “amount of comments [...] to follow the dialogue” (Stieger et al., 2012: 60), for example. Alienation and disengagement may also result from conflicts emerging between participants (Stieger et al., 2012: 62; Schmitt, 2010: 11). Fifth and lastly, however, open strategy initiatives may notably reduce such newly gained commitment and motivation when participants are eventually excluded from developments that originated from their own initiative (Dobusch and Müller-Seitz, 2014), that is, when organizations eventually close an open strategy project.

In summary, the existing literature focuses on cases of *partially open strategizing*, where openness has been implemented in cautious ways, which led to increases in motivation and commitment, but also some frustration. Our present study contributes towards a better understanding of whether “open strategy is actually a feasible option” (Dobusch and Müller-Seitz, 2014: 7). This is done by exploring the practices and outcomes that result when organizations do not deliberately delimit their open strategizing, but take it to an extreme across all three domains of agenda setting, participation and governance. As Pettigrew (1990) noted, extreme cases make a process of interest more “transparently observable” (275), revealing the mechanisms that underlie normal cases, but are less visible in those routine situations.

Research setting and methods

The Premium collective

The Premium collective began as a protest group among German consumers, who were against the unethical business practices of a leading soft drink producer. Originally

based in Hamburg, the protestors soon turned their frustration into action and began to develop, brand, and distribute their own “Premium Cola” drink in Germany - later in Austria and Switzerland as well. In 2008, the collective decided to also develop and market a beer under the Premium brand, followed by Premium coffee in 2011. In 2012, the collective sold more than one million units of Premium cola, beer, and coffee combined.

Premium is registered as a private company in the name of the “central organizer” (emic term) Ulrich (pseudonym). Ulrich not only carries the legal risk held by the organization, but also owns the website and mailing list. In addition he earns a modest income from Premium’s operations. Because members know that his legal standing is at stake, Ulrich is permitted to exert more influence on the collective than all other members and is widely admired for continuously and passionately defending Premium’s radical openness (even though he is not legally bound to). Apart from Ulrich, the collective is constituted of 3 salaried staffers, about 20 highly active, core group members (i.e. members that have posted more than 100 emails and participated in most strategic debates), about 50 occasionally active members, and about 1,650 other members that are involved various ways.

The collective’s voluntary contributors perform some of the organizational tasks, contribute to strategic decision-making, and personally sell Premium products to bars and clubs in their area. The three salaried staffers perform most of the collective’s routine administration tasks such as interaction with Premium’s external cola, beer, and coffee producers and distribution companies who were carefully scrutinized for adherence to the collective’s ethical standards. Since 2002, the collective has used an emailing list as the primary platform for “collectivists” (emic term) to discuss strategic issues. As of February 2014, “the list” contained 18,633 emails.

Criteria for case selection

We selected Premium as a research context because it deliberately takes open strategizing to an extreme in all the three domains of open strategizing discussed above. From its inception, Premium members decided to run their operations as a “collective” (emic term) and to develop and continuously update a catalogue of ethical business rules that they call their “operating system” (see www.premium-cola.de/betriebssystem, in German language). The operating system is a publicly available, and thus fully transparent (Whittington et al., 2011), repository of “modules” that outline Premium’s mission. It documents its principles of how businesses “should be run.” Table 1 highlights excerpts from this operating system’s modules 2 and 3 that explicate some of these radically open principles.

Please insert Table 1 about here

Data collection and analysis

Our data collection and analysis proceeded in three phases using three different data collection methods (see Table 2 for an overview).

Please insert Table 2 about here

The first phase of data collection focused on understanding Premium’s community practices and culture. The fourth author began with netnographic data collection on the Premium Cola collective in 2009, performing a broad study of the website as well as multiple other online sources referring to the Premium Cola brand. Netnography is a participatory, interpretive research technique that is widely used in consumer research to gather primary data about behavioural patterns as well as individual and collective meaning making in online contexts (Kozinets, 2002). Netnography usually involves the selection and in-depth

interpretive analysis of meaningful conversations garnered from an often unmanageably large set of textual data (Kozinets, 2002).

After this exploratory research had revealed the suitability of the context the fourth author immersed in the collective both online and offline. This involved following Premium's emailing list closely and engaging in conversations with members. As a result, the author eventually attained access to all email conversations recorded since 2002.

To contextualize and triangulate the findings from the netnographic data, the fourth author also conducted 9 in-depth interviews with members of the collective, attended three Premium Cola conventions (October 2010, May 2011, and June 2012), and participated in four "core team meetings" (emic term) via Skype conferencing in June and July 2012. This data provided us with initial insights into the collective's history, ideology, culture, and organizational background. Importantly, it revealed that strategizing was an essential part of Premium's community activities and that recurring behaviours and shared meanings emerged from and shaped the collective's strategizing practices, thereby making the strategy-as-practice lens an appropriate perspective to investigate the case (Jarzabkowski and Spee, 2009; Seidl and Whittington, 2014; Vaara and Whittington, 2012).

In a second phase of data analysis we focused on identifying data that could help us better understand the collective's strategizing practices, but also shed light on the outcomes of this. The authors therefore once again conducted a netnographic analysis, this time with a focus on identifying strategic issues discussed in Premium's emailing list. Because the emailing list constituted Premium's primary platform for member discussions of strategic issues, this data set contains the lion's share of Premium's open strategizing practices.

This analysis revealed that of the 18,633 emails posted to Premium's emailing list between January 2002 and February 2014, 1,475 emails evolved around 46 issues that qualified as "strategic." Consistent with previous literature on strategic issues, we coded an issue as strategic if it was "likely to have a significant impact on the organization's present or

future strategies, [organization] structure, or business model“ (Liu and Maitlis, 2014: 206). This definition of strategic issue builds on a broader definition of “strategy” than the traditional one (Ansoff, 1980), and is increasingly recognized as more suitable for describing strategy in contemporary, fluid organizations. Following this conceptualization, we classified these particular 46 issues as strategic because they had a potential impact with regards to Premium’s *products, competition, customer relationships, organization, or business model* (see Table 3).

In a third and final step we conducted a content analysis of these 46 strategic issues using the analytical categories identified in our literature review (open participation, open governance, open agenda setting) as an orienting framework for interpretation (Kelle, 2007). We particularly focused on how Premium members translated their core principles of radically open agenda setting, participation, and governance into actual practices. Specifically, we coded agenda setting as *centralized* if the central organizer of the collective raised the issue, and as *distributed* if someone else in the collective raised the issue. We coded participation as *selective* if less than 10 participants (on average) chose to participate in discussing an issue, and as *substantial* if the number of participants rated above that average. Lastly, we coded decision-making as *consensual* if a decision about an issue was taken through some form of tacit or explicit agreement among Premium’s members; as *authoritative* if a decision about the issue was taken by the collective’s central organizer; and as *non-decision* if no decision was made.

To reflect the extent to which each practice adheres to Premium’s openness principles, we coded distributed agenda setting, substantial participation, and consensual decision-making as *radical* strategizing practices, and coded centralized agenda setting, selective participation, and authoritative decision-making as *counterbalancing* strategizing practices.

Findings: Practices and outcomes of radically open strategizing

We present the findings from our analysis in the following order. First, we show how Premium translates its *principles* of radically open agenda setting, participation, and governance into *practices* by combining radical and counterbalancing practices. Then we discuss and illustrate the outcomes for the Premium collective through the configuration of radically open/counterbalancing practices. Lastly, we present an analytical model that visualizes the notions and relationships of practices, barriers, and outcomes that can result from taking open strategizing to an extreme.

How Premium translates its radically open principles into practices

Table 3 highlights 12 out of the 46 strategic issues we examined that best convey a sense of types of topics raised, discussed, and decided upon since the inception of the Premium e-mailing list. The table also indicates which types of strategic issues involved centralized or distributed agenda setting, selective or substantial participation, and authoritative or consensual governance practices.

Please insert Table 3 about here

In the following sections, we draw from the issues featured in Table 3 to show how Premium approaches radically open strategizing in each of the three domains, which barriers the collective encounters in these domains, and how it engages in counterbalancing practices to cope with these barriers while maintaining opportunities for radical openness. We also highlight data excerpts that illustrate the outcomes resulting from Premium combining radical and counterbalancing strategizing practices.

Radically open agenda setting in practice: Combining centralized and distributed agenda setting

Agenda setting at Premium tends to follow a particular pattern. A collectivist identifies a problem, has an idea, or receives an outside request of strategic relevance to the collective. Then this person raises the issue (sometimes also including a preferred solution) by “throwing the topic into the list” (emic term for posting the issue to the emailing list). The following excerpt from issue #12 in table 3 illustrates this practice as performed by member Rahel:

“Dear community, For some time there has been a Premium Facebook fan-page that an unknown person, at least not one of us, has brought into being and where nothing really happens [...] But a facebook presence needs dialog and action [...] My suggestion is that we create a new page that we maintain together [...] I am offering to set this page up, to administer it, and fill it with content in consultation with you [...] What do you think? Best, Rahel” (Rahel, 01.07.2010, issue #12).

This data excerpt illustrates the typical way in which a Premium member raises an issue by making the community aware of a topic, framing it, providing an opinion, offering (in this particular case) to take care of it, and asking for other perspectives. As stated in the operating system, or the catalogue of ethical business rules held by the collective, the opportunity for providing Premium with “tips and impulses for all sorts of innovations” (Module 02: Kollektiv) is available to all Premium members at all times, and does not depend on how extensively or superficially they are involved in Premium’s operations. Given the radical openness of agenda setting, we could expect to find a wide range of Premium members raising issues. Instead, we found that the collective’s central organizer, Ulrich, raised 67% of the issues shown in Table 3, and 71% of the issues in the full data set. Inversely this means that 1,636 out of 1,650 Premium members never made use of the opportunity to raise a strategic issue, while the remaining 14 members (except from Ulrich) raised merely one or two strategic issues.

Thus, our analysis suggests that the practice of agenda setting is not always as *distributed* as Premium's stated principle of radical openness demands. We found that this is due to the practical barrier of *information asymmetry* – i.e. the fact that a limited number of Premium members have better access to relevant information about high-level strategic issues. This could be information about competitors, market positioning, or Premium's business model. As a result, members other than Ulrich tended to raise issues closer to their immediate engagement and experience with Premium, such as Premium's organization, products, or its customer relationships. Collectivists set issues including: sexism in the list (issue #9), distribution of Premium Cola in a drug store (#10), and ideas about new forms of advertising (#11, #12) on the strategic agenda. Ulrich, in turn, tended to raise high-level issues related to Premium's business model and competition, for instance creating a network of small beverage companies (#4) or selling the operating system to a start-up (#3), which both concerned business opportunities that other collectivists had no access to.

Information asymmetry induces the collective to rely heavily on *centralized agenda-setting*, i.e. the practice by which one or few members raise strategic issues and direct the debate. This practice relies on the same rhetorical template as its radical counterpart (see verbatim above), but requires privileged access to business information. It is therefore only available to the few members who work in Premium's proverbial “machine room” where they oversee the collective's operations and receive most requests from external stakeholders. More practical opportunities for raising issues thus result in centralized agenda-setting. Thus, insiders also have a greater responsibility for ensuring radical openness in interacting with the overall organization, i.e. making certain that each and every issue is actually raised, and nothing is withheld from the collective.

In 2009 for example, when Ulrich and his team were, “diligently working on [the] annual report, on cleaning up, optimizing, etc.” (Ulrich, 22.12.2009, issue #6), Ulrich noticed decreased sales figures for their Cola product. This put the central organizer into the position

of having to raise the issue or risk bypassing the collective. This would effectively “close” the system and thus challenge members’ faith in the collective’s radical openness (Dobusch and Müller-Seitz, 2014).

Although this counterbalancing practice of centralized agenda setting may - at first glance - appear a less radical implementation of the radically open agenda setting principle, because it relies on only one or a few members, our analysis shows that this practice was relatively unproblematic for Premium members. In our dataset, members never overtly criticized the quantitative imbalance between their and Ulrich’s raising of issues, nor did they view it as a violation of their norms. This is probably because Ulrich’s proactive approach did not limit the general opportunity to raise issues, but rather compensated for a lack of initiative among regular members.

Taking these findings together, we conclude that distributed *and* centralized agenda setting practices *both* ensure that issues are raised all the times. This leverages Premium members’ asymmetric access to, and knowledge of, strategic issues in different ways, thereby translating the principle of radically open agenda setting into open strategizing practices.

Radically open participation in practice: Combining substantial and selective participation

According to Premium’s principles, every stakeholder somehow involved in or affected by Premium’s business operations “can participate and co-decide with equal rights in absolutely every issue of the entire organization and its conditions” (see Table 1). Premium members’ influence on strategy is thus expected to be substantially larger than the influence that employees typically exert in corporations where strategizing is the domain of a few elite members (Whittington et al., 2011), or in open-source communities where open content creation is the norm, but open strategizing the exception (Haefliger et al., 2011). In the radically open form of *substantial* participation, many members collectively deliberate on strategic issues in an iterative process of reflection and decision. The following excerpts from strategic issue #8, in which Premium discusses the possibility of presenting their brand at a

German business gala, illustrate how substantial participation is performed in practice:

I agree with people before me – it is nice when other people are interested in an idea that develops and grows without the normal additives like advertising and lies, because Premium is honest. Premium will be the most prominent topic of conversation [at this business gala] and I’m sure that at least 2% of the people there will be tempted to dump their suits [and exchange them for our casual skater wear]. (Ole, 1.3.2005, issue #8).

Do we want to evangelize at the [business gala] and “take off people’s suits?” Ooops sorry! ... Couldn’t it be that there are as well at least 2% of the people in the audience that could in the worst case harm us? Premium cola is relatively small, poor and nice, but grows. And there are others that are big, rich, and not so nice. Am I paranoid? (Hans, 1.3.2005, issue #8).

In the case of the [business gala] presentation we get the chance to present Premium. And there is no “too small”. Besides, Premium is not about how “big” or how “far” or how “profitable” we are. I really see no reasons – just maybe fear. And that does not count. Without the necessary courage Premium would not exist. (Valentin, 2.3.2005, issue #8).

Throughout the process of collective deliberation, 11 collectivists exchanged 22 emails concerning their thoughts on Premium’s participation in the gala. They also discussed whether the benefits of inspiring attendees would outweigh the risks of sparking unwanted competition from the wrong types of companies. Such practices of substantial participation constitute 58% of the issues in Table 3 (44% in the larger data set), with the highest number of contributors being 33. Five out of the 12 issues in Table 3 were discussed with less than 10 members.

Our analysis suggests that members who engage in *selective* participation practices, rather than contributing more substantially, do so to cope with the practical barrier posed by

information overload (Stieger et al., 2012). Although there could be other reasons explaining selective participation, our data points to the experience of information overload as the dominant factor behind this phenomenon, as illustrated by the following quote:

Hello Ulrich, hello all, a few months ago I started selling premium cola in The Rocket [bar] in Munich. I really like your product and slowly also the people from Munich start buying premium. But I am slightly annoyed by all the email and all the back and forth [...] I also think you don't have to discuss everything, although I know that it is your credo to discuss and solve things collectively. (Laura, 03.07.2007, #10)

In such emails Premium members bemoan how Premium's "credo" of encouraging all members to contribute their views on all strategic issues creates a sense of information overload (Stieger et al., 2012, Schmitt, 2010) and a resulting experience of excessive drag. While Laura, as with other members, acknowledges the "back and forth" as important ("your credo"), she ultimately asks to be removed from the list. She thus switches demonstratively from substantial to selective participation as her new preferred practice of engaging with Premium's strategizing.

Selective participation creates a legitimacy problem for Premium, since it raises the issue of whether collective decisions are representative of the whole group. One way in which Premium responds to selective participation is to legitimize decisions based on silent participation. This idea originates from Georg posting the following email:

Maybe it's best when everyone who agrees to this decision remains silent. This way we don't flood mailboxes and Ulrich can estimate from the number of absent emails how many people agree. (Georg, 4.7.2007, #10).

Accepting silent participation and voting is based on the shared yet potentially unrealistic assumption that the majority of members follow the list; probably most participate only selectively though. Premium members therefore pragmatically consider non-contributing members – who may actually be disinterested or absent – as silently approving an emerging

decision, when a debate is ongoing and a consensus is closing on the horizon. This pragmatic rule allows the more proactive members to progress their discussions, while imagining a mass of members as silently signing off on their decisions. Through such rules, Premium ensures that all members can—but need not always chose to—participate in every discussion. This preserves the radical openness of their participation practices.

Unlike cases examined in previous research, in which open participation was restricted by managerial intervention, these results show the radical and counterbalancing practices that allow Premium to cope with information overload and simultaneously retain opportunities for radical inclusion.

Radically open governance in practice: Combining consensual and authoritative decision-making

Premium's radically open strategizing principles require that strategic issues must be decided consensually, i.e. through collective agreement (see Table 1). In fact, our analysis reveals that 7 out of 12 strategic issues in Table 3 (58%) were decided via consensual decision-making. In these cases consensus emerged between five to 130 messages, with consensus on average reached at 32 messages.

Ulrich typically observes discussions and states what he considers the collective's consensual decision after debate slows. Sometimes, a member reiterates the decision explicitly in an email (as in the example below, where Ulrich reports the collective's answer to an external request), but most often only the subsequent actions reveal which decision has been considered the consensus.

Good morning Marc, I have thrown your last email into the collective's email list, deliberately without a clear position on it from my side. The pack has discussed it over the weekend and came almost unanimously to the conclusion that I expected in the first place. So, first of all, what CAN'T be done is..." (Ulrich, 8.5.2006)

While consensual decision-making is the most frequent practice at Premium, 4 out of the 12 issues in Table 3 (one remains undecided) document the practice of *authoritative* decision-making, i.e. one member taking a decision on behalf of the collective. This practice results from an inherent power asymmetry in the Premium collective where one person, i.e. the central organizer (Ulrich) has accumulated by far the greater amount of social capital and trust. Because Ulrich is the only member who is legally accountable for Premium's actions, he sometimes forces his will upon the collective to protect existing projects, or pursues new projects about which he is particularly passionate. Member responses to Ulrich's authoritative decision-making reveal that, members consider authoritative decision-making on Ulrich's part as legitimate despite their contrary principle. Ulrich only exercising this right rarely, with reason, and transparently further facilitates this.

The next data excerpt illustrates how Premium uses authoritative decision-making to cope with a practical barrier to radical openness posed by a power asymmetry between the central organizer and the other collective members. The following email was sent five months after the collective had decided not to produce a Premium beer. Ulrich re-opens the issue with the following email:

G'day! ...The latest state of the beer discussion was that the world doesn't need another beer that will be driven across the landscape. I have thought about this a long time, because it's a reasonable objection.... My thoughts are: the beer market is slightly regressive - www.netzeitung.de/wirtschaft/856650.html - if we make a beer, there won't be more beer drinking overall, and not more transport. But a Premium beer would "balance" the transport by using a fixed percentage of our earnings to alcoholism-prophylaxis. If we make a beer, it changes something on a small scale. Whoever wants to join in may please do that, and those who do not join do not join. That's the same as with the cola. How we will separate them, what can be used jointly and what cannot (server, list, art, logistics, speaker,...), I would throw in the "mother"-list for discussion. (Ulrich, 3.4.2008, issue #2).

In this case, Ulrich exploits his power position as a central organizer, but also the social capital he has built up as the collective's founder, to pursue a business project that he considers important. Indeed, he does this in spite of the collective having decided against it. In this email, he overtly acknowledges the collective's prior consensus as "reasonable" but does not ask for the collective's permission to reconsider developing a beer. Instead, he rationalises his authoritative decision as yet another way of pursuing Premium's mission (e.g. no more beer drinking overall, no more transport, proactive support of alcoholism prevention), rather than a personal matter. He also proactively invites collectivists to join him in pursuing this new project. Factually, Ulrich overturns the collective decision, but in doing this explicitly and publicly, thereby maintains a sense of transparency. Through issuing an invitation for participation, he maintains a sense of radical openness for the new project too.

It is not surprising that the collective accepts such authoritative decision-making on his part, despite it contradicting Premium's principle of consensual decision-making. Ulrich has, as Premium's founder, legal owner and the collective's most "self-sacrificing" member (emic term), accumulated substantial social capital. The collective's response not only sheds light on Ulrich's unique position of power, but also suggests that he has not (yet) performed this practice often enough for it to be considered a violation of expectations of what a central organizer and formal owner may legitimately do (Michels, 1962).

We have shown how Premium translates its three principles of radically open strategizing into practice and how the collective copes with information asymmetry, information overload, and power asymmetry barriers with counterbalancing practices. Through centralized agenda setting, selective participation, and authoritative decision-making practices, Premium maintains its ability to deliberate and decide on important issues, despite the practical barriers, while also ensuring that the opportunity for radically open strategizing remains intact at all times.

We now turn to exploring the outcomes of the overall configuration of radical and counterbalancing practices for the Premium collective.

Outcomes of radically open strategizing practices

Considering the multiplicity of people and perspectives involved in radically open strategizing practices at Premium, one might expect the collective to become enmeshed in endless deliberations, indecisions, frustrations, and potential failure. The fact that Premium has successfully grown its business for more than 14 years (at the time of this writing) suggests, instead, that the benefits of their radically open strategizing outweigh these costs. As we will show next, Premium's radically open strategizing produces three key outcomes for the collective, i.e. it facilitates collective identity formation, allows for collective legitimization of strategic decisions, and maintains members' motivation.

Collective identity formation

Because radically open strategizing is performed as a continuous, reflexive process, it provides opportunities for Premium members to reflect on, and reformulate their sense of purpose and collective identity (Dobusch and Müller-Seitz, 2014; Korsgaard et al., 1995; Whittington et al., 2011). As the above excerpt from Premium's discussion about participation in a German business gala reveals (issue #8), strategy deliberation also involves members evoking a range of different identity markers that characterize Premium. In the discussion about issue #8 above, identity makers include "premium is honest," "Premium cola is relatively small, poor, and nice," and Premium is about "courage."

Such collective identity formation is an important outcome of radically open strategizing practices, because for Premium members to make a strategic decision requires a shared understanding of the collective's identity and role in the larger competitive landscape. Therefore, we found Premium's strategy making practices replete with deliberations about its

brand positioning, its mission, and its market antagonists, resulting in an iterative reformulation of its collective identity.

In addition, Premium's practice of making decisions consensually serves the collective as another important identity marker vis-à-vis competing small beverage companies and the global players. In one of our member interviews, Max explains:

Consensus democracy and disclosure are important. If we did not have that, we would have sold our soul. That is what Premium is about, that is why many shops list us although we are a small, relatively expensive niche product (Max, interview).

Max's quote illustrates how radically open strategizing fosters understandings of collective identity ("that is what Premium is about") that relate directly to the collective occupying a specific market niche. The collective understands that without maintaining the possibility for radical openness across all three domains, Premium would turn itself into yet another Cola maker, unable to charge its proverbial premium prices and possibly unable to motivate members to participate. Radically open strategizing thus serves the collective as a mechanism for negotiating its identity and creating conditions for making strategic decisions that align with it.

Legitimation of strategic decisions

Perceiving itself as the market player with the highest moral standards, Premium is regularly confronted with ambivalent decisions such as "should we do advertising", "should we offer volume discounts", or "should we expand into new markets"? These decisions may appear trivial from the point of view of conventional business, but pose severe moral dilemmas for Premium. When a strategic issue is posted to the collective mailing list, members are therefore encouraged not only to make a decision, but also to legitimize it, which often requires reworking the moral evaluation of a new market practice.

The decision to collaborate with the commercial retail chain Budni, for example, illustrates such an ambivalent situation (issue #10) where moral legitimization was required. To sell Premium Cola through a retail company rather than exclusively through scene bars with sub-cultural musical and aesthetic taste seemed to jeopardize one key marker of Premium's long-time identity, i.e. its sub-cultural style. To ensure that the Budni decision does not corrupt this identity marker, Ulrich asks:

Our response to the question [whether to sell through Budni or not] has extensive consequences, but no one answered me so far. Usually bosses [i.e. managers] decide on something like that strategically, but at Premium this happens collectively too [...] I would have stayed with our former decision, but you made me talk to Budni, and now? [...] We will have to decide: conservative/consequential maintenance of our roots with us selecting outlets based on criteria of (musical) taste – or focus more on moral business, independent of taste [...] Does “only” morality count now? (Ulrich, 04.07.2007, issue #10)

In the deliberation phase of this strategic issue Ulrich asks the collective to discuss whether or not Premium should collaborate with the Budni retail chain, but also probes the collective for making a broader, strategic decision on Premium's identity (still) being focused on taste, or rather being “only” about morals. Throughout the discussion of this strategic issue members made the decision that selling its products at Budni is, indeed, compatible with Premium's mission, and therefore legitimate. In such ways, radically open strategizing also becomes a practice for collective legitimization of morally ambiguous decisions that can significantly affect the future trajectory of Premium's identity.

Maintenance of motivation

To keep its business operations going, Premium depends on motivated volunteers. Among other factors, motivation depends on members being able to individually garner value by contributing to an organization that is successful and, to a sufficient degree, effective. Our

data analysis shows that in the last twelve years a group of about 20 members (with some joining and leaving) constituted a continuous core of the collective, with about 50 additional members participating more selectively. The overall number of emailing list subscribers rose to 1,650 at the end of our data collection.

These figures suggest that despite occasional frustrations (see individual barriers above), radically open strategizing does more to maintain than to obstruct motivation for participation. It is not the strictest adherence to radical openness principles that produces these outcomes, but a flexible, situated combination of radically open and counterbalancing practices. Striking the right balance seems to be important when combining these practices. In order to perpetuate their belief in running a radically open collective and thus posing an example to the closed businesses around them, Premium members proactively foster the notion that radical openness prevails whereas counterbalancing practices only play a minor role in their strategizing.

An analytical model of radically open strategizing

The findings of our case study converge into an analytical model that represents *radically open strategizing* as a particular configuration of principles, practices, barriers, and outcomes (see Figure 1).

Please insert figure 1 about here

The figure illustrates how *principles* of radically open strategizing (left side) are translated into a set of radically open (right side, white background) and counterbalancing (right side, grey background) strategizing *practices*. Counterbalancing practices emerge to cope with the three practical barriers of information asymmetry, information overload, and power asymmetry (middle boxes), which stand in the way of collectivists adhering even more

strictly to their radical principles. Together, these practices of radically open strategizing facilitate three influential outcomes at the organizational level (bottom circles), i.e. the formation of a collective identity, the legitimation of strategic decisions, and the maintenance of motivation.

Discussion

By investigating what strategizing practices are performed by an organization that tries to be radically open, and exploring the outcomes that follow from this endeavour, we follow Dobusch and Müller-Seitz's (2014: 21) call for conducting more research that links "different degrees or types of openness in strategy-making practices to respective outcomes". Based on interpretive analyses of data from netnographic inquiry, in-depth interviews, and participatory observation collected between 2009 and 2014 we offer the following three contributions.

First, our research reveals a set of practices that we conceptualize as radically open strategizing (see Figure 1). We argue and show how the actual translation of radically open strategizing principles into concrete practices can involve both radical and counterbalancing practices. Whereas radical practices adhere strictly to the principles, counterbalancing practices allow the organization to cope with practical barriers resulting from an uneven distribution of information and power as well as from demotivating experiences of information overload. However, rather than limiting opportunities for radical openness, these counterbalancing practices leave the proverbial "doors" radically open for agenda setting, participation, and decision-making. In the case of Premium Cola, rather than exclusion from participation via managerial intervention, some members choose not to walk through these open doors, thus raising practical barriers for a more radical translation of principles into practices.

Although Premium members do not always make full use of the opportunities for open participation, our analysis shows that maintaining the possibility for radically open agenda

setting, participation, and governance is very important. In fact, constantly trying, and sometimes failing, to translate its radically open principles into equally radical practices resulted in Premium growing steadily for more than 14 years, while also motivating and growing its membership. This finding contributes towards answering Dobusch and Müller-Seitz's (2014) question about whether open strategizing is even feasible. For the analytical category of radically (vs. partially) open strategizing that we have studied, our findings suggest that open strategizing is, indeed, a feasible option, but that it can be enacted in a variety of complex and partially contradictory ways, including the co-existence of more and less open practices.

Second, prior explorations of open strategizing have focused on cases where strategizing practices were not “even close to perfectly inclusive” (Whittington et al., 2011: 535), but limited with regards to stakeholder opportunities for setting agendas, participating continuously, or influencing strategic decisions (Dobusch and Müller-Seitz, 2014; Stieger et al., 2012; Whittington et al., 2011). Our exploration of an extreme empirical case that does not exhibit such temporal or topical constraints reveals a set of strategizing practices that respond to very different limitations. Whereas research in partially open strategizing context found that management eventually posed limits to openness, the opportunity for Premium's members to be involved in strategizing remains open at all times.

Therefore, we see that radically open strategizing at Premium is not so much limited by structural barriers imposed by management (Dobusch and Müller-Seitz, 2014; Stieger et al., 2012) or by the formation of an organized oligarchical elite that gradually reduces inclusiveness and transparency (Michels 1962). Instead, it is limited by what members cannot (due to lack of information or power) or chose not to (per lack of motivation) contribute to an organization's radically open strategizing. As a result, non-leading members raise less complex issues concerning, for example, new products, the Premium organization, or Premium's customer relationships. Such topics also attract more participation and garner

more opinions in the decision-making phase. More complex issues, such as business strategy or competition, in contrast, spark less engagement and therefore entail a more frequent use of counterbalancing practices.

Third, our analysis supports the established notion that open strategizing allows organizations to tap into broader pools of ideas, motivating members, and enhancing organizational commitment, while occasionally also producing information overload and frustration (Dobusch and Müller-Seitz, 2014; Chesbrough and Appleyard, 2007, Stieger et al., 2012; Whittington et al., 2011). In addition to these findings, we show that radically open strategizing can also result in a continuous rejuvenation of a collective identity, increase the legitimacy of decisions that stand on morally ambiguous grounds, and maintain members' motivation enough for them to support the collective for many years.

Contrary to what might be expected when openness is taken to an extreme, radically open strategizing in our study rarely resulted in escalating indecisions (Denis et al., 2011). Instead, by combining radically open and counterbalancing practices, Premium members were able to decide on 40 out of the 46 issues that we studied, while retaining openness at all time. It seems that without being radical, Premium would have no distinctive sense of purpose, and would inspire fewer customers to buy into the Premium brand and its ethical operating system. Yet, without a certain degree of pragmatic counterbalancing that glosses over the imperfections of radical openness *in praxi*, Premium would likely fail as an organization due to the inability to cope with practical barriers to getting things done in everyday work practice.

Limitations and conclusions

As in every case study, our exploration is limited in several ways. For example, the Premium organization constitutes an empirical context that differs notably from other research contexts in open strategy in terms of its organizational form, power structure, market

influence, or market positioning from conventional businesses such as J.P. Morgan, Shell, or IBM. For this reason, findings from the Premium context can only reveal some potential problems that may arise when more conventional, hierarchically structured, and profit-oriented organizations try to venture into the terrains of radically open strategizing.

In addition, unlike most organizations, the Premium collective emerged relatively recently from a consumer protest movement. The collectivists' awareness of their origins endows the organization with a particularly strong sense of moral purpose, which most companies may not possess, or may lose over time as the company matures. Premium's goal of changing the business world by leading through example motivates collectivists to participate in radically open strategizing, while conventional organizations may have to rely on monetary or power incentives to spark similar levels of motivation.

Lastly, our study focuses on the inclusiveness of open strategy and only touches upon the transparency dimension (Whittington et al., 2011). Future research will need to explore how inclusiveness and transparently interact in contexts of radically open strategizing, and whether counterbalancing practices also emerge in the domain of transparency.

In conclusion, as the term "strategizing" was originally developed in the context of war, it naturally evokes connotations of brilliant elites, intentional secrecy, covert use of power, and the heroic annihilation of competitors in dramatic confrontations. What happens at Premium, however, is a different form of strategizing that shows little resemblance to this classic, arguably stylized and ideal-typical counterpart. However, it seems from our research that the radically open form of strategizing that is tried, tested, and refined in the Premium collective is well attuned to thriving in market contexts where the proverbial "invisible hand" (Smith, 1977 [1776]) struggles to distribute global resources in socially, economically, and ecologically sustainable ways.

References

- Andrews, K. R., 1971. The concept of corporate strategy, Richard D., Irwin, Homewood.
- Ansoff, H. I., 1980. Strategic issue management. *Strategic Management Journal*. 1(2), 131–148.
- Baumgartner, F. R., Jones, B. D., 1991. Agenda dynamics and policy subsystems. *The Journal of Politics*. 53(04), 1044–1074.
- Chen, K. K., 2016. „Plan your burn, burn your plan“: How decentralization, storytelling, and communification can support participatory practices. *The Sociological Quarterly*. 57(1), 71–97.
- Chen, K. K., O'Mahony, S., 2008. Differentiating Organizational Boundaries. *Research in the Sociology of Organizations*. 26, 183–220.
- Chesbrough, H. W., Appleyard, M. M., 2007. Open innovation and strategy. *California Management Review*. 50(1), 57–76.
- Darr, A., 1999. Conflict and conflict resolution in a cooperative: The case of the Nir Taxi Station. *Human Relations*. 52(3), 279–301.
- della Porta, D., 2005. Deliberation in Movement: Why and how to study deliberative democracy and social movements. *Acta Politica*. 40(3), 336–350.
- Denis, J.-L., Dompierre, G., Langley, A., Rouleau, L., 2011. Escalating indecision: Between reification and strategic ambiguity. *Organization Science*. 22(1), 225–244.
- Dobusch, L., Kapeller, J., 2014. Open strategy making with crowds and communities: Lessons from Wikimedia and creative commons. Working Paper under review.
- Dobusch, L., Müller-Seitz, G., 2014. Closing open strategy: Strategy as practice of thousands in the case of Wikimedia. Working Paper.
- Dobusch, L., Seidl, D., Werle, F., 2014. Opening up the strategy-making process: Comparing open strategy and open innovation. Working Paper, Abstract published in *Academy of Management Proceedings*.

- Faraj, S., Jarvenpaa, S. L., Majchrzak, A., 2011. Knowledge collaboration in online communities. *Organization Science*. 22(5), 1224–1239.
- Füller, J., Bartl, M., Ernst, H., Mühlbacher, H., 2006. Community based innovation: How to integrate members of virtual communities into new product development. *Electronic Commerce Research*. 6(1), 57–73.
- Furnari, S., 2014. Interstitial spaces: Microinteraction settings and the genesis of new practices between institutional fields. *Academy of Management Review*. 39(4), 439–462.
- Haefliger, S., Monteiro, E., Foray, D., von Krogh, G., 2011. Social software and strategy. *Long Range Planning*. 44, 297–316.
- Harrison, D., Holmen, E., Pederson, A.-C., 2010. How companies strategise deliberately in networks using strategic initiatives. *Industrial Marketing Management*. 39, 947–955.
- Hendry, J., Seidl, D., 2003. The structure and significance of strategic episodes: Social systems theory and the routine practices of strategic change. *Journal of Management Studies*. 40(1), 175–196.
- Jarzabkowski, P., 2005. *Strategy as Practice: An Activity-Based Approach*, Sage, London.
- Jarzabkowski, P., Spee, A. P., 2009. Strategy-as-practice: A review and future directions for the field. *International Journal of Management Reviews*. 11(1), 69–95.
- Kelle, U., 2007. The development of categories: Different approaches in grounded theory, *The Sage Handbook of Grounded Theory*, 191–213.
- Korsgaard, M. A., Schweiger, D. M., Sapienza, H. J., 1995. Building commitment, attachment, and trust in strategic decision-making teams: The role of procedural justice. *Academy of Management Journal*. 38(1), 60–84.
- Kozinets, R. V., 2002. The field behind the screen: Using Netnography for marketing research in online communities. *Journal of Marketing Research*. 39(1), 61–73.

- Kozinets, R. V., Hemetsberger, A., Schau, H. J., 2008. The wisdom of consumer crowds: Collective innovation in the age of networked marketing. *Journal of Macromarketing*. 28(4), 339–354.
- Liu, F., Maitlis, S., 2014. Emotional dynamics and strategizing processes: a study of strategic conversations in top team meetings. *Journal of Management Studies*. 51(2), 202–234.
- Lorente-Vicente, R., 2001. Specificity and opacity as resource-based determinants of capital structure: evidence for Spanish manufacturing firms. *Strategic Management Journal*. 22, 157–170.
- Makadok, R., Barney, J. B., 2001. Strategic factor market intelligence: An application of information economics to strategy formulation and competitor intelligence. *Management Science*. 47(12), 1621–1638.
- Mantere, S., Vaara, E., 2008. On the problem of participation in strategy: A critical discursive perspective. *Organization Science*. 19(2), 341–358.
- Michels, R., [1911] 1962. *Political parties: A sociological study of the oligarchical tendencies of modern democracy*, Free Press.
- Montgomery, C. A., 2008. Putting leadership back into strategy. *Harvard Business Review*. 86(1), 54.
- Newstead, B., Lanzerotti, L., 2010. Can you open-source your strategy? *Harvard Business Review*. 88(10), 32.
- O'Mahony, S., & Ferraro, F. (2007). The emergence of governance in an open source community. *Academy of Management Journal*. 50(5), 1079–1106.
- Pettigrew, A., 1990. Longitudinal field research on change: Theory and practice. *Organization Science*. 1(3), 267–292.
- Rothschild, J., Whitt, J. A., 1986. *The cooperative workplace. Potentials and dilemmas of organizational democracy and participation*, Cambridge University Press, Cambridge.

- Schmitt, R., 2010. Dealing with wicked issues: Open strategizing and the Camisea case. *Journal of Business Ethics*. 96, 11–19.
- Seidl, D., Whittington, R., 2014. Enlarging the strategy-as-practice research agenda: Towards taller and flatter ontologies. *Organization Studies*. 35(10), 1407–1421.
- Smith, A., 1977 [1776]. *An Inquiry into the Nature and Causes of the Wealth of Nations*, University of Chicago Press, Chicago.
- Stieger, D., Matzler, K., Chatterjee, S., Ladstaetter-Fussenegger, F., 2012. Democratizing strategy: How crowdsourcing can be used for strategy dialogues. *California Management Review*. 54(4), 44–68.
- Vaara, E., Whittington, R., 2012. Strategy-as-practice: Taking social practices seriously. *The Academy of Management Annals*. 6(1), 285–336.
- Von Hippel, E., 1986. Lead users: A source of novel product concepts. *Management Science*. 32(7), 791–805.
- Whittington, R., Cailluet, L., Yakis-Douglas, B., 2011. Opening strategy: Evolution of a precarious profession. *British Journal of Management*. 22, 531–544.

Table 1: Premium's Principles of Radically Open Strategizing

Domains of Radically Open Strategizing	Principles of Radically Open Strategizing as Stated in Premium's "Operating System"
<i>Radically Open Agenda Setting</i>	The collective encourages participants explicitly to provide "tips and impulses for all sorts of innovations" (Module 02: Kollektiv).
<i>Radically Open Participation</i>	The Premium Collective theoretically comprises everyone who is in one way or another involved: producers, carriers, retailers, gastronomes, and in particular consumers. Everyone who has ever consumed a bottle is a contributor and can read and contribute. (www.Premium-Cola.de/Kollektiv) Premium works with a maximum of insourcing. [Insourcing] occurs because every involved party or person can participate and co-decide with equal rights in absolutely every issue of the entire organization and its conditions. (Module 02: Kollektiv).
<i>Radically Open Governance</i>	The key is the consensus democracy that is, for example, popular in Africa: one discusses until all participants agree to a solution, or can at least agree to live with it. (Module 03: Konsensdemokratie). All Participants have an equal say in all questions of the entire organization and the conditions [prices, etc.]. (Module 02: Kollektiv).

Table 2: Overview of the Data Set

Collection Method	Data Type	Collection Time	Location
Netnography	18.633 emails, plus available online information	2009 (with data ranging from Jan. 2002 until Feb. 2014)	Online
In-depth interviewing	9 interviews	Between 2010 and 2012	3 in Berlin, 3 in Basel, 3 in Dresden
Participatory observation	3 Premium conventions 4 Skype conferences	October 2010, May 2011, June & July 2012	Berlin, Basel, Dresden, Online

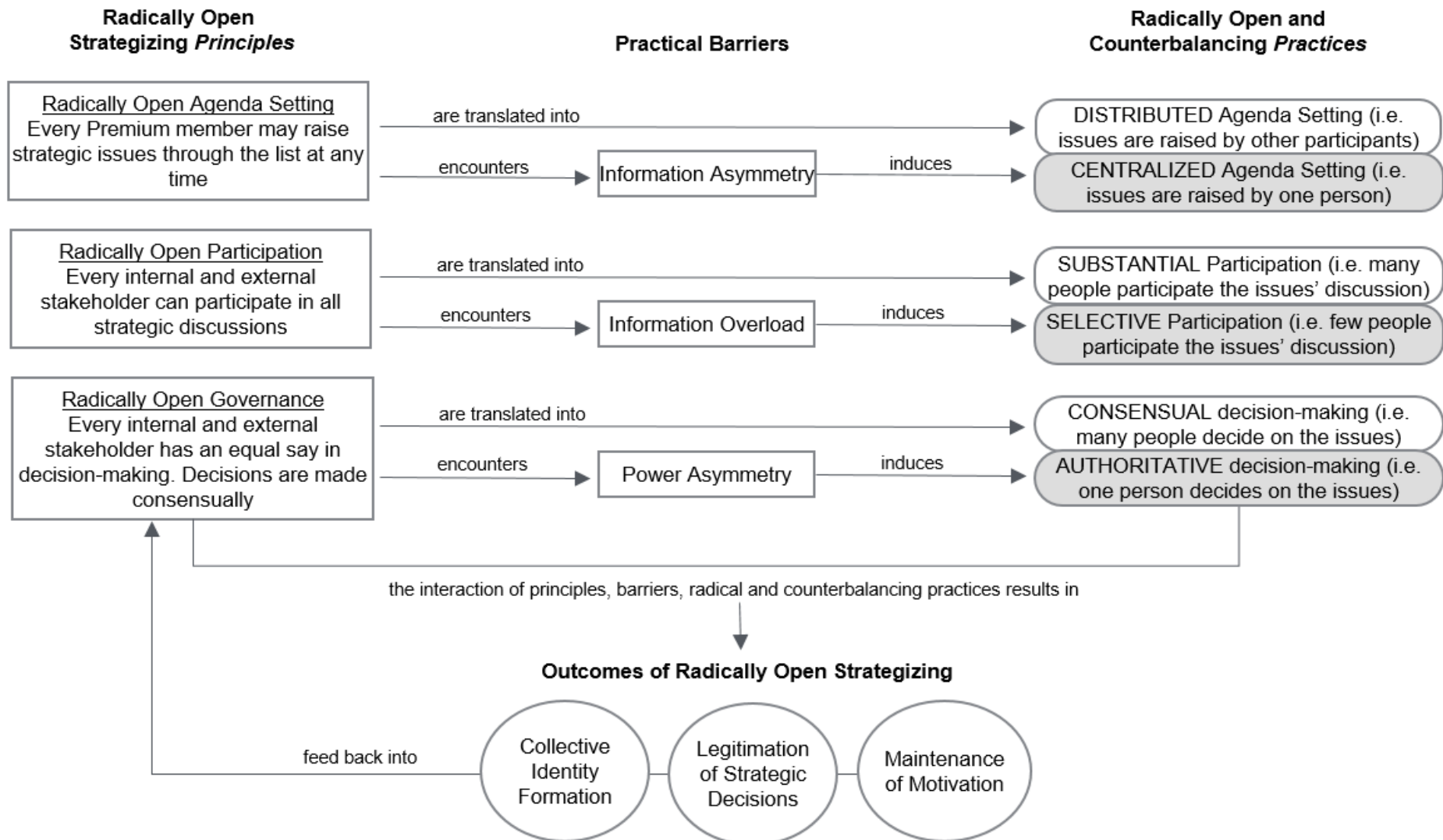
Table 3: Selected Strategic Issues from Premium's Emailing List

D Issue	Type of Strategic Issue	Description	Agenda Setting	Participation	Governance
1	Business model	Ulrich raises the issue of expanding the business by creating an own format of a beverage fair. He decides to do so.	Centralized	Selective	Authority
2	Business model	Ulrich brings up (again) the idea of expanding their business model by starting to produce a beer under the Premium brand. He decides to do so.	Centralized	Selective	Authority
3	Business model	Ulrich raises the idea of expanding their business model by starting to sell their operating system to a start-up. He decides to transfer the operating system to the start up.	Centralized	Selective	Authority
4	Competition	Ulrich raises the idea of creating a network with other small beverage companies (competitors). He decides to do so.	Centralized	Selective	Authority
5	Business model	Ulrich raises the idea that Premium's core product is not a soft drink but a different way of doing business - a different "operating system". Collectivists discuss the idea of expanding their business model by selling their operating system and other products such as beer and coffee. They agree to view the operating system as main product.	Centralized	Selective	Consensus
6	Organization	Ulrich raises the issue of shrinking sales numbers in Germany and the collectivists discuss ideas on how to become a more stable and reliable organization.	Centralized	Substantial	Non-decision
7	Customer Relationships	Ulrich is approached by the GQ magazine. He raises the issue of advertising and being featured in this outlet. The collective discusses whether cooperating with the magazine is suitable for Premium or not. They decide to not cooperate with GQ.	Centralized	Substantial	Consensus

8	Customer Relationships	Ulrich raises the idea of presenting Premium at a business gala. The collective discusses whether presenting at the business is gala is suitable for Premium or not. They decide to not to give a presentation, but to write a text for the annual report.	Centralized	Substantial	Consensus
9	Organization	After a collectivist has upset many others with sexist comments, Per raises the issue that sexist comments are not acceptable at Premium. The collective keeps discussing how it should handle such issues. The collective agrees to counter discrimination.	Distributed	Substantial	Consensus
10	Product	A collectivist raises the idea of selling their product through a big drugstore chain. Collectivists discuss this possible move and eventually decide to sell their product in the drugstore chain.	Distributed	Substantial	Consensus
11	Customer Relationships	A collectivist raises the idea of advertising on the back of their product's label. The collective discusses and decides to do so.	Distributed	Substantial	Consensus
12	Customer Relationships	A collectivist raises the idea of having a Facebook page for promoting their product. The collective discusses and decides to create a Facebook page.	Distributed	Substantial	Consensus

Note: The different background shades distinguish strategic issues that have been raised, deliberated, and decided based on radical strategizing practices only (white), a mix of radical and counterbalancing practices (light grey), and counterbalancing practices only (dark grey).

Figure 1: Radically Open Strategizing as a Practice



Author Biographies

Dr. Marius K. Luedicke is an associate professor at Cass Business School, City University London. As a marketing sociologist, his research explores the dynamics of consumer culture and branding with a particular focus on moralism and social conflict. His work has been published in international journals such as the *Journal of Consumer Research*, *Consumption Markets & Culture*, or *Psychology & Marketing*. His research has been cited in international media such as the *New York Times*, *Huffington Post*, the *Telegraph*, and *Wired*.



Katharina C. Husemann, PhD is a lecturer at Royal Holloway, University of London. Her research is embedded in the field of interpretive consumer (culture) research and focuses on brands, products and consumption practices as provocateurs of social conflict. Her research is published in *Psychology & Marketing* and in high-profile conference proceedings such as the *Advances in Consumer Research*. Based on her doctoral research, Katharina received the highly reputable Marietta Blau-Scholarship sponsored by the Austrian Agency for International Mobility and Cooperation in Education, Science and Research (OeAD).



Florian Ladstaetter is a PhD student at the University of Innsbruck, School of Management. In his dissertation he explores the Premium Cola collective from various perspectives, i.e. conflict culture, consumer activism, or open strategy. He is also involved in the organization of an independent cultural centre where principles of open participation and a low-threshold access to culture are put into practice. With this project he uses his practical experience as the foundation for his research.



Dr. Santi Furnari is a senior lecturer at Cass Business School, City University London. He studies how innovation emerges at the intersection of multiple institutional fields and sectors, where different cultural logics and political interests overlap. His papers have been published in the *Academy of Management Review*, *Organization Studies*, *Research in the Sociology of Organizations*, *Strategic Organization*, the *Academy of Management Best Paper Proceedings*, and in edited books published by Edward Elgar and Routledge.

