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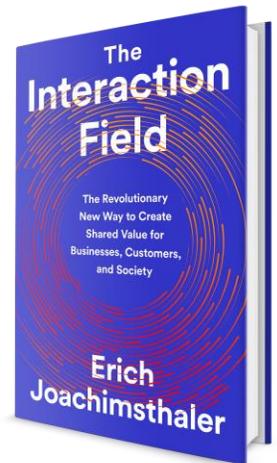
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THE INTERACTION FIELD

*The Revolutionary New Way to Create Shared Value for
Businesses, Customers, and Society*

ERICH JOACHIMSTHALER

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"A thrilling new way of looking at a successful business model for the future. This fascinating book contains great business stories—such as LEGO, John Deere, Alibaba, Flatiron Health, and more—as well as important thinking today's CEOs should become familiar with."

—Vijay Govindarajan, Coxe Distinguished Professor at Tuck at Dartmouth, *NYT* and *WSJ*
Best Selling Author, *Three Box Solution: A Strategy For Leading Innovation*

"Undeniably compelling...at timely source for leaders who want to be relevant in the next decade."

—Beverly Anderson President, Global Consumer Solutions, Equifax

"In this powerful and groundbreaking book, Joachimsthaler clearly demonstrates how platform thinking can be utilized to create shared value and drive new growth for companies and brands."

—David Collis, Adjunct Professor at Harvard Business School, author, *Corporate Strategy: Resources and the Scope of the Firm*

"A fascinating, practical and insightful book that brilliantly examines the value that platform thinking can bring to companies and brands in today's hyper-connected world."

—Sangeet Paul Choudary, CEO of Platformation Labs, International best-selling co-author, *Platform Revolution* and author of *Platform Scale*

"An engaging, insightful and immensely practical book on building strong brands and businesses delivering not just shareholder value but also shared value for companies, customers and society."

—Vince Hudson, Senior Vice President, Enterprise Marketing Strategy, American Express

How the most successful businesses are creating value and igniting smart growth

The future of business is about creating value for everyone – not just shareholders. At the same time, changing consumer habits, escalating customer expectations, and technology are disrupting businesses. Current business models – traditional value-chain companies and platform companies – cannot survive the torsion of these forces. Nor can they meet society's demands; they are highly transactional and generate one-way value for the company, with little benefit to customers and society.

In **THE INTERACTION FIELD: The Revolutionary New Way to Create Shared Value for Businesses, Customers, and Society** (PublicAffairs; September 15, 2020), management expert and professor **Erich Joachimsthaler** presents *a new business model and operating model for the future – one that creates shared value for all*. Companies that embrace this new model – called interaction field companies – generate, facilitate, and benefit from interactions and data exchanges among multiple people and groups—from customers and stakeholders, but also from those you wouldn't expect to be in the mix, like suppliers, software developers, regulators, and

even competitors. And everyone in the field works together to solve big, industry-wide, or complex and unpredictable societal problems.

Like a platform company, the interaction field company builds on a digital platform, but there is a big difference: it's organized to generate, facilitate, and benefit from interactions rather than transactions. Composed of **a nucleus** of participants, an **ecosystem** of partners and contributors, and **market makers** that exert influence on the field, an interaction field facilitates communication, engagement, and information exchange among multiple people and groups, not just the company and its customers. These interactions produce velocity – multidimensional, constantly accelerating, explosive and smart growth that goes far beyond the traditional measures of sales increase, profit, or market capitalization. And velocity produces a virtuous cycle which allows the company to create shared value for everyone in the interaction field, well above and beyond the benefits it brings to its direct users. For example, a company that moves into the autonomous driving space could build an interaction field that not only meets new consumer needs around mobility, but also dramatically reduces vehicle involved injuries and fatalities. Or a healthcare provider can engage its interaction field to not only serve its customers, but also eradicate a specific disease or condition, which it cannot do alone.

Interaction field companies are just beginning to emerge, and the book explores how they work in heavy industries like agricultural equipment (John Deere), industrial metals (Klöckner & Co.), e-commerce (Alibaba), and in consumer businesses such as automobiles (Tesla, Waymo), health insurance (Discovery Health), cancer treatment (Roche's Flatiron Health), action cameras (GoPro), appliances (Haier), pet food (Mars Petcare), and fashion (Burberry, Gucci). Both traditional value-chain companies and platform companies can move toward the model. As existing companies have seen their "digital transformations" fail, interaction fields provide an opportunity to leverage – rather than ditch – their assets, leapfrog the platform model and evolve for the future. And as platform companies face rising both societal backlash and ever escalating consumer expectations, the interaction field model offers a way to make good on their promise to "make the world a better place."

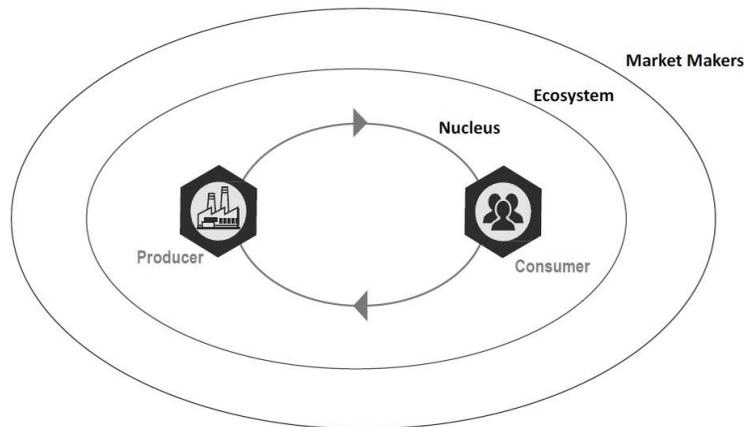
With deeply-researched case studies and astute analyses, **THE INTERACTION FIELD** introduces a revolutionary new way of doing business. Not only does this model allow companies to continuously innovate, evolve, and respond to ever rising customer expectations, but it also creates a new way to solve the immediate challenges of people today and also the major social and economic challenges of the future.



Erich Joachimsthaler is the Founder and CEO of VIVALDI, one of the largest independent global strategy and business transformation firms, with offices in the U.S., Europe, Latin America and Asia. He has lectured and held faculty positions at many of the world's leading business schools, including Harvard Business School, IESE, Yale, Columbia, Dartmouth and Duke. He is the author and co-author of more than a hundred articles published in highly-respected journals as well as of two award-winning books—*Brand Leadership* and *Hidden in Plain Sight*. Joachimsthaler has been featured in *USA Today*, *The New York Times*, *Wall Street Journal*, and on CNBC, among others, and writes regularly for *Harvard Business Review*. In 2017, he was voted a Top 25 Influencer of Chief Digital Officers, and he was inducted as the 2017 Fellow of the ISBM Institute for his lifetime contribution in academics, thought leadership and practice in marketing, strategy, and digital innovation. He lives in New York, NY.

The Interaction Field Model

To create an interaction field company, you must design and build the three elements that constitute an interaction field: a **NUCLEUS** of participants, an **ECOSYSTEM** of partners and contributors, and a group of **MARKET MAKERS** that exert influence on the field, all of them linked through data.



The **NUCLEUS OF PARTICIPANTS** is typically the company, like John Deere or GoPro, and the customers—anyone who contributes to the core interactions on a regular basis. The traditional company has already established a business relationship with the participants in the nucleus, which is the foundation of the interactions.

The **ECOSYSTEM OF CONTRIBUTORS** composed of partners in the company's business activity. But as part of the interaction field, data is shared between the nucleus participants and the ecosystem participants. Ecosystems in the interaction field are built on relationships that have been established over years. An example is the supplier relationship between Bosch, the automotive electronics company, and Daimler, the car manufacturer. They have a well-established supplier-buyer relationship based on the development, manufacture, and sale of electronic components for Mercedes-Benz vehicles.

The third group of participants is the **MARKET MAKERS**. These are entities that exert influence and enable the velocity in the interaction field. There are many types of entities that can be market makers, and the types differ from one interaction field to another. The US Department of Transportation, for example, regulates the automotive industry and hence is one type of market maker in an automaker's interaction field. Consumers who could potentially be attracted to the field because they want to solve their transportation needs, but have not yet purchased vehicles, are another type of market maker in an automotive interaction field. Daimler has merged the Car2Go car-sharing interaction field with that of BMW's DriveNow. Potential drivers who don't currently use the offerings of these two companies are important market makers. The better the merged service is positioned to pull new drivers toward it, the more velocity the field gains. Market makers can also be entities such as research institutes, like the Fraunhofer Institute, or university researchers that develop automotive technology. Velocity depends greatly on the market makers. Whether they are new consumers attracted to the field, competitors, government agencies or regulators, or participants in other platforms, market makers can significantly determine the success or failure of the company in creating value.

HOW IT WORKS: High interaction velocity is achieved when the three elements of the field work together to create network effects, learning effects, and virality. This leads to new shared and potentially enormous value for the participants in the field, the entire industry or category, and society as a whole. What interaction field companies can do that value-chain companies, platforms, and digital ecosystems can't is solve a much more complex and diverse set of needs for consumers, while also addressing the intractable challenges of industries and categories and contributing to progress on major societal issues and concerns.

Suggested Interview Questions For Erich Joachimsthaler, Author of **THE INTERACTION FIELD**

1. You have been a thought leader on brand strategy, innovation and marketing for over 30 years, as both an academic and a consultant. How did you come to develop the interaction field concept?
2. You write that the future is about creating value for everyone. How do interaction field companies create this shared value, and how are they fundamentally different from other kinds of companies?
3. What are the key elements of an interaction field?
4. What is your favorite example of an interaction field company?
5. You write that a properly designed interaction field can solve major social and economic challenges. Does that include the Covid-19 pandemic?
6. It's been about one year since the Business Roundtable rewrote the purpose of the corporation and overturned the decades-long concept of shareholder primacy. Have you seen any evidence of meaningful progress? What role could interaction field companies play in advancing this important goal?
7. Companies in every industry are transforming as they navigate the disruptions brought on by the pandemic. You have identified a new way to transform a company for the future – what's your advice to CEOs right now?
8. Many argue that ecosystems are the new platform companies, but you disagree. What's the difference between platform companies, digital ecosystems, and interaction fields?
9. Big Tech platform companies claimed they would “make the world a better place,” yet consumers – and regulators – are increasingly frustrated with them. Why haven't these platform companies delivered, and what would interaction field companies do differently?
10. Why do you think digital transformations have largely failed? Is it time to stop obsessing about the platform model and quit trying to replicate the Amazon approach?
11. In order for an interaction field to work, it must generate something called “gravitational pull.” What is it and how can companies create it?
12. What is the most important thing you hope leaders will take away from your book?