

# Crowdcrafting as a new manufacturing model: the experience of Berto Salotti<sup>1</sup>

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## Abstract

**Purpose of the paper:** The paper aims to present two experimental projects (“#DivanoxManagua” and “#Sofa4Manhattan”) conducted by an Italian small-medium enterprise of the furniture industry in order to outline crowdcrafting as a new manufacturing model.

**Methodology:** An inductive research approach is followed. Our research strategy is a case study that works as an illustration and inspiration for new ideas.

**Findings:** Berto Salotti projects fully embodied Knowledge Economy principles are meaningful examples of Experience Economy and act as a good application of crowdsourcing logic as well. They do represent an empirical illustration of the “future craftsmanship” approach.

**Research limitations:** The paper deals with one single case study, hardly generalizable, even if it is highly representative; the initiative is still in its starting phase and its results are hardly assessable.

**Practical implications:** Companies aspiring to apply crowdcrafting could improve their customers’ service by looking for new ways of interaction with them. Opening up themselves to social networks, finding competencies from the outside and providing customization and product quality together with unusual experiences are some suggestions.

**Originality of the paper:** Our work makes both scholars and practitioners aware of an Italian SME innovative in introducing crowdcrafting in its processes; at the same time, it highlights the feature of such an approach both theoretically and practically.

*Key words:* knowledge economy; experience economy; crowdsourcing; Made in Italy; quality craftsmanship; value co-creation project

## 1. Introduction

In today’s business environment, finding effective competitive routes becomes more difficult because of hypercompetition (D’Aveni and Gunther, 1994), which leads to the vanishing of the competitive advantage, at least as it was understood so far (McGrath, 2013). The confidence in strategy as a well-ordered and predictable process able to ensure a quiet route for the navigation of the company has progressively cracked (Quinn, 1978; Mintzberg and Waters, 1985). Recently, some approaches highlight the high

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degree of contingency in achieving the desired results (Peteraf and Reed, 2007) while other approaches emphasize the implementation phase, up to then relatively neglected (Cocks, 2010). So, strategy has become more a matter of mental attitude and psychological characteristics of the decision makers than an analytical and rational procedure of evaluation and selection of product-market combinations, deemed more appropriate on objective grounds (Collins and Hansen, 2011; Powell *et al.*, 2011; Levinthal, 2011). Although any solution is necessarily temporary, nonetheless, new routes have to be found for companies to survive in the future.

Along with the difficulty that the individual company is facing as a player at the micro level, even at the macro level it is hard to continue to sustain economic development according to the conceptual and operational framework which has been followed so far. This has led many scholars to imagine alternative systems of production-distribution-consumption of goods.

Support economy (Zuboff e Maxmin, 2002), civil economy (Bruni e Zamagni, 2004), serene degrowth (Latouche, 2008) and shared capitalism (Porter e Kramer, 2011) are just some of the models that have recently been proposed to exit from the impasse in which economy - and consequently the whole society - came to find itself in. Not to speak of the stream of thought which is linked to the Marxist critique (Piketty, 2014) that is now gaining new momentum. Although none of them has found practical application in reality yet, a phase of intense rethinking is now in progress. It is clear that the model that will emerge in the future will be different from the one now in progress, even if none of the alternative systems will last forever. The questions raised at a micro and macro level are undoubtedly relevant. On the one hand, they do not refer simply to the functional or technical areas of an organization but rather to its conditions of existence. On the other hand, they do not refer to partial or contingent imbalances but rather to the configuration of the whole economic system in the contemporary world.

The purpose of this paper is to present the experience of an Italian company committed to experimentally plot a way that can effectively adapt to the social, economic and competitive change or even introduce in this context the seeds of a discontinuity able to produce an evolutionary leap. The case inductively considered fits with singular consistency in the theoretical approach of knowledge economy (Rullani, 2004a, b) of which it constitutes a concrete application. For this reason, knowledge economy is the main theoretical framework of the paper. In order to thoroughly interpret the case, we will also refer in the next sections of the paper to other streams of thought.

The company examined in this study shows that using resources available within networks, fluid intelligence of the people, and creativity linked to the multiculturalism of a metropolitan environment (Micelli and Rullani, 2011) can actually be a viable option. Furthermore, it shows that this can happen even in small firms and not as part of the growing digital economy but in the declining industry of furnishing.

It is difficult to predict whether the route suggested by Berto Salotti will be effective to face the competitive challenges, and whether it could possibly be extended to organizations with different characteristics. Anyhow, the exploration of such an experience seems interesting enough to be known, deepened and discussed.

Although the attempt of Berto Salotti will not prove effective in this exact form, it will perhaps provide insights able to trigger the next steps along the evolutionary path of strategy, of the firm's theory and, by extension, of the entire economic theory.

## 2. Theoretical background

This business experience cannot be confined into a single theoretical framework. Rather, it can be linked to the following research streams: 1) experience economy, 2) "new manufacturing", 3) crowdsourcing, and 4) knowledge economy. Although four research streams are numerous and, therefore, their analysis is complex, their consideration is crucial for this study. Such a case, in fact, proposes a number of remarkable changes and it gives possibly way to the conceptualization of a new firm model.

In particular, the experience economy was introduced by Pine and Gilmore as the last phase of the economic value progression (Pine and Gilmore, 1998). It focuses on observing that today's economic activity is based not on commodities, goods or services but rather on experiences. They are "goods" made of unforgettable moments. In more detail, an experience is a "take-away" impression or perception, multidimensional in nature, that is created during the learning process in connection with the purchase, use, maintenance and (sometimes) dispose of any product or service (Berry *et al.*, 2002; Carbone and Haeckel, 1994). Some scholars distinguish the experiences from the economic offer of goods and services (e.g., Gupta and Vajic, 2000; O'Sullivan and Spangler, 1998; Pine and Gilmore, 1998, 1999). Commodities are fungible, goods are tangible and services are intangible while the experiences are memorable (Pine and Gilmore, 1999, p. 11). The interaction between an event such as a theater game and the individual state of mind of each person creates an experience (Pine and Gilmore, 1998). In this sense, customers are involved in a sensorial, emotive, cognitive, behavioral and relational level rather than in functional terms creating in this way memorable experiences (Schmitt, 1999). Therefore, the experience economy is customer-oriented: as time goes by and as wealth increases, needs are becoming more sophisticated and can no longer be addressed by simple comfort goods. Stimulation goods (Scitovsky, 1977) are required instead, which in the current context typically assume the form of experiences.

The second research stream includes the studies dealing with a renewed interest in manufacturing. After quite a long period of declining interest, for the management scholars at least, manufacturing is back in the spotlight. Technological innovation (e.g., Cozza *et al.*, 2012), together with process automation, and the offshoring of production activities in geographically remote areas (e.g., Antonietti and Antonioli, 2011) have contributed to this decline in interest. This lower interest is also explained by a minor presence of

manufacturing industries among the sources of wealth and employment, at least in Western countries. Manufacturing, however, still has a pivotal role both inside the company and in the economic system (e.g., Karim *et al.*, 2008). It is all too obvious that without manufacturing no output can be produced, no transaction can occur and no form of economic activity can be activated. Some scholars (e.g., Micelli, 2011; Anderson, 2012) recently brought back the topic in the spotlight, although of course in forms different than those of the Fordist mass production.

Another research stream considered for this study is the one emphasizing on the growing trend of co-production. The most common expressions in this respect are crowdsourcing and Wikinomics (Tapscott and Williams, 2006). The former refers to when many people are involved in the performance of a given activity while the latter recalls the most successful example of mass collaboration, i.e. the renowned online encyclopedia Wikipedia. The phrasing used in management literature is somewhat ambiguous because the borders with other similar concepts, such as open innovation (e.g., Marjanovic *et al.*, 2012; Chesbrough, 2003), collaborative innovation (e.g., Sawhney *et al.*, 2005), customer empowerment (e.g., Fuchs and Schreier, 2011), peer production, collaborative systems, crowd wisdom and mass collaboration (e.g., Doan *et al.*, 2011), are not always clearly defined. Usually, crowdsourcing emphasizes the profound changes taking place while performing many activities by means of both the possibilities offered by information and communications technology and the related cultural change. The opportunity to all be connected via a network infrastructure and to exchange information and knowledge without constraints of time and space makes it possible to develop forms of cooperation previously unthinkable (Simula and Ahola, 2014) which the companies can leverage to create value (Johannessen and Olsen, 2010). Another essential condition is the fall or resizing of many cultural and operational barriers in many areas of life, typical of the postmodern condition (Lasch, 1981; Lyotard, 1989; Firat *et al.*, 1995; Bauman, 2002). With specific reference to the production processes, the result is that they can now be decentralized at an inter-organizational level (e.g., Afuah and Tucci, 2013) and they are opened up to involve people out of the company such as consumers (Simula and Vuori, 2012). This is clearly an evolution still in progress; its final results aren't fully intelligible now, but they will definitely be very significant.

Last, knowledge economy is a research stream that interprets the recent developments in the economic and production system as a result, on the one hand, of the fall of large organizations monopoly of technical knowledge, peculiar of Fordist capitalism and, on the other hand, of the simultaneous emergence of "knowledge" as a intangible - creative, located in the territory, sense-making - and central resource in the processes of value creation (Rullani, 2004a,b). It is this resource that causes the transition from a "Fordist" system, in which large companies developed highly rationalized algorithms embedded in the machines to obtain efficiently standardized products, to a multipolar production system in which variety, customization, relationship, meaning and sense

prevail. Therefore, the knowledge resources that become useful are not only those committed to code, exploit and replicate processes, but are also those open and without a single variable to maximize, which are susceptible to creatively explore equifinal routes.

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### 3. Methodology

An inductive research approach was followed for this study. We did not start from a literature review following a gap-spotting approach (Alvesson e Sandberg, 2011) but we rather observed an innovative business experience following a discovery-oriented approach. Therefore, we gained significant insights both in theoretical and practical terms. Without disregarding the “procedures” aimed at ensuring an acceptable degree of rigor, we privilege the relevance dimension (Lorsch, 2009; Pfeffer, 2009) which is logically more grounded in management research (Gummesson, 2013). Our research strategy is qualitative in nature in order to consider the complexity, contexts and people (Gummesson, 2006). It is a single case study (Yin, 2003) because the business experience is undoubtedly unique. To the best of our knowledge, we do not know cases of companies that have followed or are following similar lines.

The case can act as an illustration and a simplified application of the theoretical streams presented in the previous section. In addition, according to Siggelkow (2007), it can act as an inspiration for new ideas in the business strategy field and, in a broader sense, in the evolution of the theory of the firm. We deem this case also important, because it highlights some operational guidelines for both the survival of the Western SME and the identification of a route able to overcome the crisis and find innovative ways to make the transition towards new forms of production-consumption and economic activity. In other words, even if perhaps it won't be possible anymore to go back to the ante-crisis levels of production and consumption, it would be worth to imagine new forms, and in this regard, the case under investigation can provide interesting insights.

To understand in detail the case, we employed several data collection techniques. We conducted an in-depth interview with the entrepreneur about this business experience. The interview took place in January 2014 and lasted 90 minutes. Due to the reduced volume of data, we did not use software for text analysis (Zalan and Lewis, 2004). We also consulted business documents available online and on the corporate blog in which the experimental projects are constantly updated during their development. We gathered the perceptions and comments of the participants (e.g., consumers, architects and designers) in these experimental projects from the corporate blog in order to triangulate data (Ravenswood, 2011). During 2014 and 2015, we repeatedly submitted questions to the collaborators of the entrepreneur to get answers on specific aspects under investigation.

These experiences are still in full development and, therefore, the information and knowledge available are not definitive. The findings presented here are the result of the evolutionary stage achieved so far and as such evidently liable of many changes.

#### 4. Berto Salotti: “#DivanoxManagua” and “#Sofa4Manhattan” projects

##### 4.1 Berto Salotti: artisan manufacturing company of upholstery tailoring

Berto Salotti is an Italian company operating in the furniture industry.

The company was initially called Fratelli Berto Salotti. It was founded in 1974 in Meda by Carlo and Fioravante Berto who had moved from the Veneto Region to the then richer Brianza to seek their fortune. Since 2000, the only son Filippo joined his father Fioravante in running the business. From 2013, after the death of one of the founders, Filippo Berto manages the company.

In the Seventies, the company basically worked as a supplier for large companies, producing high-quality leather sofas; during the same period it started collaborating with architects. In the following decade, it changed strategy (Barzaghi, 2009), addressing its own production directly to retailers, and also to the final consumer; over time, it started selling its products in foreign markets too.

The company size is small: ownership and control coincide; the production structure is mono-plant; employees are about 20. 75% of the production is sold in Italy, while the rest is placed abroad (Europe, USA and Russia); 20% of the revenues come from online sales.

The production range of Berto Salotti encompasses sofas, sofa beds, armchairs, beds and furnishing accessories. The product style can be either modern or classic. The products are made by hand by master Italian craftsmen.

Various products are available as follows: a) in catalogues, b) customized, i.e. the customer can choose his preferred item in size, comfort and style (e.g., width, backrest height, depth of the seating, padded cushions, material and color of the legs, fabrics and leathers to dress the sofa), and c) design-made, i.e. the customer can perform, based on an image or drawing, a sofa, a bed or a chair unique and customized according to his creative taste and space requirements. Architects, interior designers and master artisans of upholstery tailoring help addressing the customers' demands. The company is able to meet every customer's need, from the supply of custom- or project-made individual piece of furniture to that expected from a hotel contract. In addition, renovation and restoration of armchairs, sofas and antiques are also available.

Berto Salotti owns five stores. Three of them are located in Italy: in Meda, the town of Brianza where the company has its headquarters, in Rome and in Parma. Market coverage is made via traditional distribution channels. Recently, the company has also added a showroom in New York in collaboration with Design-Apart. The latter is a network of companies and professionals whose purpose is to disseminate and promote the design and the excellence of Italian production in the furniture industry in the world. Another recently opened store is in Chelyabinsk (Russia).

Berto Salotti is located in the historical furniture district of Brianza, a geographically small area that includes 36 municipalities and over 5,000 companies. This area reached in 2011 a production value of 2.9 billion



euro and an export share equal to about 40%. Although it is a district of ancient craftsmanship tradition and proven capabilities committed to a medium-high market, today it is in a phase of maturity and difficulty, especially with respect to interior consumption.

The size of the company is really small, even in comparison to the average companies belonging to the industry and the district. In addition, the market power of Berto Salotti, expressed in terms of the brand reputation, is certainly not among the highest. Its awareness though appears rapidly growing thanks to the projects presented here (“#DivanoxManagua” and “#Sofa4Manhattan”), supported by the Bertostory corporate blog, the YouTube channel with over 100 videos uploaded, and an ongoing dialogue on social networks like Facebook, Twitter and Pinterest, as well as the institutional website.

The pilot projects called “#DivanoxManagua” and “# Sofa4Manhattan” stem from such an industry, district and corporate background.

#### 4.2 “#DivanoxManagua”: a value co-creation project in Italy

The “#DivanoxManagua” project was born and developed between January and April 2013. The project consisted in the construction of a specimen of couch especially designed for the occasion. The participants in six open working sessions were as follows: master craftsmen of the company, an entire class of students in their third year of school for upholsterers Afol Meda, upholsterers of other companies, designers, entrepreneurs, journalists, customers, consultants and marketers mostly from the areas adjacent to sites where the sessions took place (Fig. 1). The age of participants in the project varied between 18 and 70 years old. They were primarily men (60%). The sixth session was held at FuoriSalone that is the set of events distributed in different areas of Milan (Italy) on days when the Salone Internazionale del Mobile is placed.

Fig. 1: The craftsman work behind the “#DivanoxManagua” project



Source: <http://www.bertosalotti.it>

Once created, the sofa was sold through a charity auction. Thanks to a pre-existing relationship between the entrepreneur Filippo Berto and Terre des Hommes (an Italian non-profit organization that focuses on protection of children worldwide) the proceeds of charity auction were used to fund the School for Joiners of Mercado Mayoreo Managua. The product obtained (Fig. 1) is now a well-established item in the production range of the company Berto Salotti. A share of the revenues generated by selling this product continues to be available for the school Joiners of Managua.

“#DivanoxManagua” original purposes were neither for charity nor aimed at experimenting new production modes. Rather, the lack of qualified upholstery professionals was the very reason for starting the project. Such lack is actually an issue that is becoming more and more critical in the industry and in the area. The challenge was therefore to make the figure of the upholsterer worker more attractive, needless to say a key-resource for the company. The project was first of all born from the company’s desire to enhance the craftsman work and to make it attractive to potential employees, especially to young people. Berto Salotti, essentially, intended to show the quantity and quality of labour required for the manufacture of his products by emphasizing the importance and even the beauty of a craft with strong content of manual skills and craftsmanship. Revealing and even unveiling the operations that lead to a sofa, in other words, would allow participants - and all those who have been in contact with the initiative - to understand the human and economic value entrenched in this work. Filippo Berto himself stresses this aspect by means of these words:

*“Building together a sofa means to understand its value. We did not know how to communicate how much effort, imagination, experience and work are concealed behind a craftsmanship sofa. A customer can touch a living craft but he/she cannot imagine what’s behind it”.*

The students involved in this project learned a lot indeed. Daniele Matrone, 19 years, expressed it as follows:

*“My dream is to become an interior designer. [...] I imagine myself in a workshop full of tools where I can work directly on projects. I think I have a project all mine and that I will be able to realize it through what I know and what I still have to learn”.* (post from Bertostory corporate blog - 04.12.2013)

Visibility, social recognition and celebration of manufacturing allow to emphasize, and in some ways to enhance, the knowledge and mastery inherent in the profession and in the figure of the upholsterer.

The “social” dimension of the initiative has taken on considerable importance. It is in fact regularly followed and documented through the website and the company’s blog as well as videos and comments uploaded on major social networks. The use of these new media however did not occur after the success of the project. It was rather intentionally designed as an element inherently part of the project since it was launched.



### 4.3 “#Sofa4Manhattan”: project of crowdcrafting for a cosmopolitan crafts

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The project “#Sofa4Manhattan” (Fig. 2) was conceived at the beginning of 2014. Participants in the first session of this project were 10 designers (50% women and 50% men) aged between 25 and 50 years. The project took place in New York but the participants came from all over the world. At the crowdcrafting session participated designers, architects, customers and curious coming from New York.

The following words of the protagonists explain briefly the project (<http://www.bertosofas.co.uk/sofa4manhattan-en.html>):

*“The Sofa4Manhattan is a project by Berto and Design-Apart, it comes from the vision that businesses can work together with an open eco-system. The idea of where to produce, design and create a completely custom made sofa can be, in fact, in different places, with different producers (people), even outside of our own laboratory.*

*This project exposes our company to new ways of interpreting design, production methods and distribution solutions. Confronting new ways of conducting business, other than through the eyes of the cosmopolitan artisan and beyond the borders of our own country, we discover new ways of thinking and dealing with realities in the workplace.*

*The #sofa4manhattan is a special case in which we have involved citizens and designers beyond our own borders and outside our laboratory in the creation of a shared project, a special sofa for New Yorkers, the “ideal sofa for Manhattan”.*

*What have we done so far?*

- 1. In January this year, we organized a workshop in the Living Showroom Loft of the New York edition of Design-Apart with 10 international designers. Three design concepts were presented. Berto later that month chose one. The design selected to become the #sofa4manhattan was presented by, Lera Moiseeva and Joe Graceffa and was coordinated by Luca Nichetto.*
- 2. Back in Italy, from January to March we studied the prototypes and then developed the winning design, made of course by the best artisans of the Berto laboratory.*
- 3. The original design came from our first workshop at the Living Showroom loft of Design-Apart in New York City.*

*We wanted to finish the project in the Living Showroom in New York City, so we held a second crowdcrafting workshop in March open to all.*

*In addition to the participation of Filippo Berto and Flavio Cairoli, a Berto master artisan, we also invited creative makers and the citizens of Manhattan to help construct and finish the sofa”.*

Fig. 2: The craftsman work behind the “Sofa4Manhattan” project



Source: <http://www.bertosalotti.it>

In brief, the crowdcrafting logic behind “#Sofa4Manhattan” has been pushed forward to develop “#DivanoxManagua”. The latter is meant not to enhance the figure of the upholsterer but rather to share the design and manufacture of a product among experts and ordinary people. In this case, customers have been involved not only to gain appreciation of the work contained in the realization of a sofa but rather to convey energy, ideas, knowledge and contextual culture of the area in which the product was destined. In this regard, we report the words of two designers participating in this project:

Marcel Marquez: *“Working with others is great because you get to see other people’s thought processes, perspective, and insights which can help you realize how to further improve your own work, and also share your own views to help develop other’s work”*. (post from Bertostory corporate blog - 25.03.2014)

Lera Moiseeva: *“Amazing to see how for two days a group of people can build a team and generate new and fresh ideas on design. All participants were very interesting people and since the first moment a special atmosphere produced not only good work, but also lots of fun and joy to spend time together, share food, cultural experiences, learn more about each other”*. (post from Bertostory corporate blog 11.03.2014)

While in the “#DivanoxManagua” project the purpose was primarily to fix an internal problem (lack of skilled enough resources), this project seeks to establish a conversation, an integration and even an osmosis between the company and its potential customers or, better, the inhabitants of a certain territory.

The initiative has been widely promoted online. Since the main stages of the design and the construction of the sofa were developed in New York City, the awareness of this project has been encouraged also at an international level.

“#Sofa4Manhattan” as a project is very recent indeed, and it is very difficult now to fully understand its impact on the processes and the performances of the company. However, having stimulated new ideas,

relationships and horizons, it undoubtedly stands as a cornerstone for the development of future routes Berto Salotti will be able to take.

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## 5. Discussion and implications

The business experience as described here allows to contribute to the extant literature in each of the four areas considered. At the present time, this case constitutes an actual empirical reference in the research fields mentioned above. In the future, it can provide conceptual elements which could prove useful to generate new ideas and open new avenues for research.

Both “#DivanoxManagua” and “#Sofa4xManhattan” are significant instances of experience economy for the following reasons: a) they are developed in the realm of material goods production, which is far more difficult to get experientialized than services; and b) the intensity of the experience in this case is much higher because customers do not simply attend an event but intervene in person and take part in the manufacturing phases. Moreover, such an event is not “artificial”, purposefully staged for business communication sake, but it deals with real operations. Berto Salotti is therefore able to infuse experience in its products, adding value to them and differentiating them so as to escape the commoditization trap (D’Aveni, 2010). Through the personal knowledge they acquire attending the process, customers can definitely appreciate the quality of products.

The company goes even beyond the idea to make the product “able to speak” through storytelling and similar techniques (Soda, 2011; Fontana *et al.*, 2010; Phillips *et al.*, 2013; Gottschall, 2014). Berto Salotti involves customers in the very construction of the product and generates an awareness, impossible to be achieved in another way: it uses a form of knowledge of impactful that resulting from the “do”.

Opening the factory gates and transforming it into a “public” space allows the company to increase its social legitimization. In other words, the access to business areas, normally reserved and jealously closed to non-experts, generates a perception of real transparency which, in turn, necessarily leads to greater confidence and consensus towards the company both within its own the community and within its macro-environment.

Projects considered here, have also shown that the “futuro artigiano” (Micelli, 2011) approach can find concrete application. Berto Salotti is a company that can be basically considered as crafts. Nevertheless, it proved able to imagine routes outside of its daily routines, projecting itself towards an international dimension and moving well into the future. In addition, everything was done with no use of new technologies, but with leveraging the manual, creative and craft dimension of its production process.

Moreover, Berto Salotti extends the theory and practice of crowdsourcing well beyond generic collaborative approaches, customization allowed to consumers in the definition of their own version of the product, and even the borders of a collective fund raising (crowdfunding). People directly taking part in the production process involve time, skills, competencies, emotions and personal feelings. Such factors are much more demanding and significant at an individual level than the usual consumer involvement

forms that often remain superficial and the customization opportunities that often prove illusory. Not to mention the new forms of collective gathering of a resource such as capital, which is no doubt the factor of production that by its very nature is more fungible and impersonal.

Other approaches tried to “capture” the knowledge acquired by customers such as Customer Knowledge Management (Prandelli and von Krogh, 2000). The adjective “collaborative” or the prefix “wiki” have been recently placed ahead of many business-related words. Collaborative innovation (von Hippel, 1982; Prandelli and Verona, 2006), collaborative design (Mendikoa *et al.*, 2008), Wikinomics (Tapscott and Williams, 2006) and Wikibrand (Moffitt and Dover, 2011) are some of the activities of co-creation of value (Prahalad and Ramaswamy, 2000). However, none of them touches in such depth the heart of the enterprise - the production process - or so radically questions one of the fundamental principles underlying the evolution of the economic and social system of the last centuries: the division of labour and specialization, upon which production and consumption are interdependent but clearly separate rings and players in the whole economic system.

In “#DivanoxManagua” and “# Sofa4Manhattan” projects, producer and consumers work together and almost merge. The collaborative approach could possibly lead to consumers’ exploitation (Cova and Dalli, 2009). Here notwithstanding such concerns, Berto Salotti “invents” crowdcrafting, i.e. the collaborative manufacturing. Right now, the sole point worth emphasizing here is that the potential impact of such an innovation makes it hard to fully understand its implications.

With regard to the Knowledge Economy, the projects of Berto Salotti allow to practically highlight how nearly each and every of its principles can be declined in practice and of course originate new knowledge developments in the restless and fruitful dialectic between theory and practice (Gummesson, 2001).

On the one hand, Berto Salotti seems quite a paradigmatic example of the small Italian quality manufacturing company belonging to a mature industry, invested by the planetary waves of globalization and dematerialization of value. On the other hand, thanks to its inclusion in larger networks, the development of new forms of communication with customers and the osmosis with the metropolitan and multicultural environment, Berto Salotti is able to develop the required forms of fluid and generative intelligence that allow it to move easily between the waves, and learn successfully to ride them, as the metaphor of strategic surfing suggests (Morgan and Page, 2008; Rhee *et al.*, 2012).

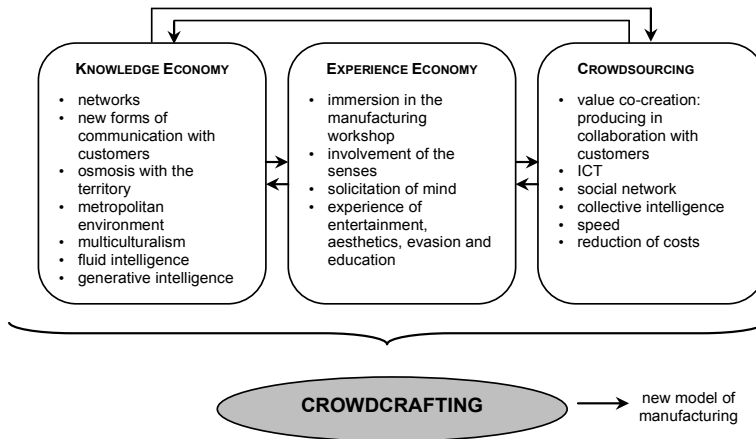
In the light of the elements presented and discussed here, Figure 3 shows the research streams that can be placed at the base of crowdcrafting as new model of manufacturing.

From a management point of view, Berto Salotti shows that companies cannot continue doing in the future what they did in the past: today “everything flows” at an ever-increasing pace. The business experience of Berto Salotti highlights four strategic directions able to adequately equip companies in order to compete in the upcoming business environment: a) service improvement pursuit through new ways of interacting with

customers, b) opening to the digital and social media environment, c) strong desire to find competencies and skills through an active research outside the company boundaries, and d) customization and product quality together with meaningful experiences delivered to customers. Ideas and suggestions, sparked from “#DivanoxManagua” and “# Sofa4Manhattan”, could inspire other companies to develop further innovations and to achieve an ever greater competitive power.

In terms of social implications, the analysis highlights the importance of enhancing craftsmanship (Sennett, 2008). This could be beneficial especially to young people who, because of lack of information on the nature of the craftsmen jobs, do not often even realize the value that this kind of manufacturing still has in the global economy. Participating in projects such as those proposed by Berto Salotti allows the youngsters to understand the beauty of manual work (Crawford, 2010), to get in touch with a profession offering good job opportunities in the future and become passionate about it.

Fig. 3: Research streams explaining the crowdfunding



Source: our elaboration

## 6. Conclusions, limitations and future directions of research

Berto Salotti experience is a good representative of the Italian SMEs entrepreneurial and countercurrent attitude, which makes them actively seek innovative solutions to address the economic crisis and develop themselves in the coming future. The projects undertaken by this company contribute to increase the extant knowledge about new models of manufacturing deploying crowdfunding as an innovative way to conceive the design, production and distribution activities.

The crowdfunding model allows crafts SMEs to become cosmopolitan, looking beyond the boundaries of local and national territory, and to satisfy customers by the provision of a quality product, designed considering their functional needs and the individual geographical and cultural context they

belong to. It is a model through which the artisan improves service to customers making them fully perceive of the very value of the product they buy. In this sense, the crowd logic and the interaction the customers experiences during the phases of design and production of the desired product play a key role. In this regard, it is noteworthy to say that people not only participate virtually on the web, but they personally act in a series of collaborative workshops giving free way to their creativity and feeling themselves deeply involved in a project. Agreeing with Rullani (2014), in this way a change of role of manufacturing occurs: in fact it ends focusing more and more on the “ability to create and sell, together with the material object, meanings or emotionally engaging experiences”.

Regardless of the extent of consolidation, these projects will have competitive effectiveness and they will be able to ensure to the company these experiences that theoretically appear interesting since they are able to indicate really brand new paths in firm operations and strategy. The idea of involving consumers not only in product design but also in its actual manufacturing, opening the factory gates and bringing the operations in workshops on the territory, do disclose such new horizons and points to such unexplored opportunities to be something worthy of attention in itself.

The paper is not without limitations. It considers just a case study that cannot be generalized, even if it is all too well representative to illustrate crowdfunding as a possible new model of manufacturing. Moreover, “#DivanoManagua” and “#Sofa4Manhattan” are still tentative initiatives: they are “attempts” that have not been “institutionalized” yet through a steady and complete modification of the nature and the structure of the production processes and of the company. The contribution that the case Berto Salotti brings is therefore limited by at least two aspects: a) the inherent pioneering nature of the projects, and b) the uncertainty of the outcomes such projects will bring in terms of corporate financial performances. In the present time, such crowdfunding experiences are difficult to measure in terms of economic and image performances.

This topic leaves thus open a number of possibilities for future research. First, a research direction could investigate the impact on business performances of crowdfunding in terms of financial and image results. Then, it would be interesting to study business cases similar to Berto Salotti to understand whether its new manufacturing model - or a similar one - is also adopted by other companies. In case of further evidence, it would be actually possible to investigate the main common features in order to deepen the knowledge about crowdfunding and examine whether it can actually become a new paradigm in the evolution of the firm and production.

Very challenging task of future research will also be not only to record and correctly understand what happened, but also to understand how this model can get out of its pioneering stage and to predict how customers’ involvement in the manufacturing process can alter the known order of economic activity. In this direction, it might be interesting to investigate the effects of putting unexperienced people in the production process exert on productivity and output quality.



Finally, empirical studies with quantitative analysis are desirable. They may be aimed at analyzing both the economic sustainability of crowdfunding projects and the relationship between these innovative solutions and investments in communication made by the company on social networks.

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manufacturing model: the  
experience of Berto Salotti

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