

ECOSYSTEM BUILDING

4.0

Building ecosystems in the
VUCA world of the 4th
industrial revolution

xpand edition

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1. Definitions

1. AN ECOSYSTEM IS:

- an ecological community
- together with its environment
- that operates as a functional unit
- and typically does not have fixed borders
- but overlaps dynamically with other ecosystems

2. AN ECOSYSTEM IS:

- the minimum number
- of functionally interdependent companies
- that is required and jointly capable
- to offer a total solution

2. Why ecosystems

1. We need lean and highly functional ecosystems who can do both with more speed: generating innovative solutions and successfully executing them
2. "Our competitors aren't taking our market share with devices ; they are taking our market share with an entire ecosystem." Stephen Elop, Nokia
3. You need an ecosystem to : - align with local markets - master complexity - spread risk - accelerate time to market - generate meaningful innovation. - build and develop your market
4. In a Volatile, Uncertain, Complex and Abiguous world, we need structures that sustain themselves in the ever changing world around them. Ecosystems are designed to do so.
5. " The future of work is this : ecosystems exchanging the key resource : human talent." Steve Sichtman, Chiptin

3. The 7 Key successfactors

1. The ecosystem needs to be lean and functionally organised. They most effective and creative ecosystems are build with 5 - 7 participants
2. The presence of a bold, concrete and meaningful vision, that transcends the vision of the individual companies in the system
3. A business model that incentivizes and helps to manage the companies to work together on long term basis and is able to capture value from several angles
4. A virtual or physical working place in which the ecosystem partners can freely and transparently communicate on daily basis, and share information on planning, resources and budget
5. A "middle man" that binds, guides and accelerates the innovation efforts
6. An open, learning and entrepreneurial business culture, where all participants share a common set of values, and agreed on daily behaviors
7. Smart interactions with Governments based on ecosystem thinking

4. The 4 pillars

THE 4 PILLARS TO BUILD AN ECOSYSTEM THAT CAN GROW AND DELIVER.

PILLAR 1. BUILDING ECOSYSTEMS

1. Define corporate strategy focus markets, A,B,C and relate the relevant regions and solution area's
2. Functionally group existing and new partnerships in these area's
3. Select partners on their complementary skills and vision per area
4. Select minimum required number of necessary companies per solution
5. Create several extra layers to minimize dependency and maximize innovation
6. Focus on execution power

PILLAR 2 : MAKING IT WORK.

1. Let overarching bold vision per ecosystem emerge
2. Open up your culture, adept risk behaviour and install innovation metrics
3. Bind the ecosystem partners with an interdependent business model
4. Kick start activities by appointing an ecosystem "middle man"
5. Accelerate effectiveness by operating as an "virtual company" with intelligent decision making tools
6. Develop smart interactions with government

PILLAR 3 : BUILDING YOUR MARKET

1. Define your key growth market
2. Link the ecosystem to a platform that operates as a virtual market
3. Appoint a team that operates as "company in a company" to manage the platform
4. Embed your activities strategically in the main company
5. Build a business model in order to capitalize on the transactions in your market. (license fees, transaction fees, partner fees, etc)

PILLAR 4 : EXPAND YOUR MARKET

1. As market dynamics are changing via your platform, re-analyse market needs
2. Externalize management team, or decide to move towards horizontal platform structure, to fully focus on market expansion
3. Improve platform in order to professionalize interactions between ecosystems
4. Innovate through intra-ecosystem collaboration
5. Start to assist new product market combinations in one of the segments.
6. Build new ecosystems around this.

Literature

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