

# Ecosystems Research 2014

*“Creating and capturing value in business ecosystems”*

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## Background

In today's increasingly complex and interconnected world, customer needs for goods and services are better addressed by networks of interacting organizations – focal firms, suppliers, competitors, partners, complementors, and other stakeholders. Such networks act as business ecosystems in which companies' strategies are closely interdependent, competition goes hand in hand with cooperation, and no single firm can succeed without relying on resources and capabilities controlled by others. Thinking in terms of ecosystems is increasingly important for large corporations worldwide. But what are the factors that determine who creates and who captures value across ecosystems?

## Research Objectives

The project has the following objectives:

- Describe the state of the art of the scientific discussion on value creation and value capture in business ecosystems through a systematic review of academic- and practitioner-oriented literatures.
- Formalize an “Ecosystem Strategy Framework” (ESF) that provides executives with formal guidance for formulating and implementing innovative corporate strategies, and influencing the characteristics and future development of business ecosystems.

## Approach

Building on previous CSA studies, the Ecosystems Research 2014 aims to answer this question, and develop an Ecosystem Strategy Framework (ESF) that firms can use to explore, interpret, and leverage to their own advantage the competitive dynamics occurring within the ecosystems in which they participate.

For each case, the researchers seek to answer questions like:

- around which core capabilities will the ecosystem develop?
- which players will play a key role in controlling the ecosystem?
- who is likely to capture greater value?

## 2014 Activities

The study has allowed to identify macro-factors that firms need to consider for successful ecosystem strategies. These factors are represented in the figure below along an iterative process of analysis and decision making involving three phases:

- 1 Assess the preconditions for an ecosystem strategy.
- 2 Build and share a vision for the ecosystem development and future evolution.
- 3 Action four levers to influence the ecosystem.

## Ecosystem Strategy Framework 3.4

EXTENDED VIEW

### 1. Evaluate

Assess **conditions** for an ecosystem strategy

- 1.1 **DEFINE CUSTOMER AND NEED**
- Type of customer(s)
  - Type of customer need
  - Geographical scale
  - Readiness for adoption

- 1.2 **MAP KEY PLAYERS & RELATIONSHIPS**
- Key players
  - Leader(s) & Leadership
  - Type of relationships
  - Value definition & Map

- 1.3 **VERIFY THAT IT IS AN ECOSYSTEM**
- Complexity
  - Multiplicity of roles
  - Coevolution/Emergence
  - Ecosystem life cycle

- 1.4 **UNDERSTAND THE CONTEXT**
- Related ecosystems
  - Source(s) of funds
  - Legal constraints
  - Frequency of provision

### 2. Envision

Build and share a **vision** for the ecosystem

- 2.1 **SET GOALS FOR FIRM & KEY PLAYERS**
- Firm's strategic goals
  - Goals of other key players
  - Risks & Uncertainties
  - Time frame

- 2.2 **STATE THE VALUE PROPOSITION**
- Customer experience
  - Value for the customer
  - Capabilities required
  - Players' contributions

- 2.3 **DESIGN THE OVERALL OFFERING**
- Core products/services
  - Complements
  - Technical availability
  - Coherent offering

- 2.4 **IDENTIFY KEY INDIVIDUALS**
- Strategy owner(s)
  - Strategy supporters
  - Transition managers
  - External co-innovators

### 3. Effect

Action four **levers** to influence the ecosystem

- 3.1 **ORGANIZE THE FIRM & THE ECOSYSTEM**
- Functions & Processes
  - Organizational integration
  - Corporate reorganization
  - Ecosystem's organization

- 3.2 **USE TECHNOLOGY STRATEGICALLY**
- Designs & Design rules
  - Platform architectures
  - Platform tactics
  - Network externalities

- 3.3 **SUPPORT THE RIGHT CULTURE**
- Ecosystem's culture
  - Firm's culture
  - Cultural alignment
  - Trust among players

- 3.4 **MANAGE CRITICAL KNOWLEDGE & IP**
- Critical knowledge
  - IP appropriation issues
  - Use of standards
  - Shared IP models

## Expected Outputs

- 1 Strategic decision-making framework to position the firm within complex service ecosystems and support its ecosystems strategy.
- 2 Academic paper on: Principles of Value Creation and Value Capture in Complex Service Ecosystems.