

THREE THINGS
ECOSYSTEM
MASTERS
GET RIGHT



Discover what it takes to lead disruption

It is no small feat for a business to single-handedly navigate disruption in today's complex business climate. This is why ecosystems are taking off.

Most companies recognize the need to implement new business models to address, or even lead disruption. According to Accenture Strategy research, 60 percent of executives say ecosystems are the way to do it.¹

Businesses can use ecosystems to make strong market plays that drive disruptive growth. The opportunity is staggering. Ecosystems could unlock \$100 trillion of value for business and wider society over the next 10 years.² However, few businesses have fully capitalized on the opportunity, claiming the role of “ecosystem master.”

Many ecosystems currently don't live up to their potential. A third of executive respondents target revenue growth of 5 percent or more with their ecosystem plays. Only 12 percent achieve this growth.³ This begs the question: What are the masters leading ecosystems getting right?

Ecosystems could unlock \$100 trillion of value for business and wider society over the next 10 years.

WHAT IS AN ECOSYSTEM?

An ecosystem is a network of partners within or across industries that collaborate (and compete) to provide services that satisfy customer needs and enable a seamless end-to-end experience.

An ecosystem is defined by the depth and breadth of potential collaboration among a set of players. Each can deliver a piece of the consumer solution or contribute a necessary capability.

The power of the ecosystem is that no single player need own or operate all components of the solution, and that the value the ecosystem generates is larger than the combined value each of the players could contribute individually.

DATA COLLABORATION

Masters see a win, not a weakness

Most businesses have abundant data within reach, but it is the ecosystem masters who truly seize it for insights. Our research found they have figured out how to best share data with their partners. Non-masters, on the other hand, tend to share too little.

In today's environment where data is currency, 92 percent of ecosystem non-masters are concerned about sharing company assets, competitive advantage and intellectual property.⁴ They worry about sacrificing confidentiality. Some fear their data may be abused. And as many companies show up in the news for being hacked, no one wants to become the next headline.

More data, more insights

Companies use analytics to get to insights. The richness and depth of those insights increases exponentially when coupled with data from outside of the enterprise. Ecosystem masters are able to better integrate with others in the ecosystem—they marry and expand their data set with partners to enhance analytics.

Virtually all masters (97 percent) describe themselves as data-driven companies.⁵ Ecosystem masters successfully leverage data from multiple stakeholders across the ecosystem—suppliers, competitors, customers, peers and service providers—to achieve better insights.

For instance, Spanish bank BBVA is masking consumer data and making it available to partners in the ecosystem to drive superior consumer insights and create mutual benefits. The bank made its application programming interfaces (APIs) available to businesses. When developers access customers' financial data, they can create new customer-led services and improve users' digital experiences. The bank expects that sharing its APIs could lead to new customers and loan originations.⁶

Establishing boundaries

Masters understand that controlled sharing of data is key to success. They have a comprehensive data strategy and management plan. A vast number of masters (77 percent) share data with some restrictions within the ecosystem.⁷ More control means less risk. Furthermore, not everyone should see everything at all times.

Ready, set, go: Connecting ecosystem data

Blockchain—a digital ledger that can be stored across multiple computers—is quickly gaining traction as the vehicle for data sharing across partners. For instance, the healthcare industry is using blockchain to store medical records and enable permissioned data sharing across relevant parties, such as patients, providers, insurers and pharmacies. Industrial equipment companies are using blockchain to improve transparency across the manufacturing ecosystem, serializing all parts and finished products and sharing that data to improve product authenticity and quality, even streamlining recall management.

Blockchain can reduce or eliminate costs associated with data sharing. Having a shared source of truth minimizes the need for costly reconciliations between parties.

TALENT POOLING

Masters tap into a deeper, broader range of resources

Companies together can create a more robust talent pool than any one participant could create on its own. Masters pull the “best of” the ecosystem, tapping into talent pools within and outside of the enterprise to access complementary skills and capabilities. In fact, 76 percent of masters look to marry talent across organizations when building their ecosystem, compared with 34 percent of non-masters.⁸ Masters also think about how to grow talent. Three in four consistently develop talent within the ecosystem, which has enabled them to identify and deliver new value propositions.⁹

Placing the right people where they are needed most

When the ecosystem shares talent, it speeds access to experience and differentiated capabilities. Talent sharing also opens the door to a deeper and wider talent pool that brings a level of hyper-diversity. Workers from different backgrounds and companies, with a variety of skills, can work together on achieving outcomes.

Ecosystem masters are willing to lift and shift talent to another ecosystem organization for a certain amount of time and then bring them back. Businesses benefit as employees learn new methodologies or skills and then bring them back to their company. This is a perk for employees, too, as they gain the exposure of working in another environment.

Companies must make changes to adapt to these new ways of working. For instance, using analytics to plan for talent needs more proactively, as well as aggressively upskilling and reskilling in-house talent for key capabilities or reaching out to talent in the ecosystem to help fill remaining gaps.

ECOSYSTEM PLATFORM CO-DEVELOPMENT

Masters build a launch pad for value

Platforms are the lifeblood that enables ecosystem partnerships to easily collaborate and thrive—and they cannot be created alone. Successful platforms start with a smart foundation to build partner interest and investment, accelerating adoption and expansion.

The richer the partner ecosystem, the more successful the platform. Ecosystem partners drive and accelerate the reach and scale of the platform. They increase the opportunities of the platform by beginning with a compelling business case and monetization strategy, ensuring sustainable investments and participation. And they drive innovation through the collective power of their data, talent and expertise.

Ecosystems masters (64 percent) recognize the importance of choosing the right technology platform to support the ecosystem, compared to 36 percent of non-masters.¹⁰ Masters also look for a technology partner that is going to be a collaborative player in creating the platform.

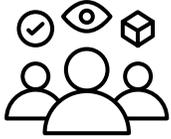
Better together

Those pursuing ecosystem opportunities may find they are not able to design and develop a robust platform on their own. Hence the need to promote development of a platform that allows ecosystem partners to collaboratively build the necessary elements.

Joint development of a platform requires an open, collaborative mindset among all participants. All must understand that each ecosystem participant is part of the platform, but doesn't necessarily own it. The platform should meet the needs of the collective entity. Trust, comfort, commitment and confidence are essential ingredients to creating a mutually beneficial platform.

Getting to outcomes

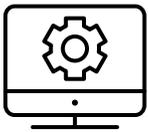
As with ecosystems, platforms are not built overnight. A pragmatic process will lead the way:



Create the team. The company convening the platform should begin with a small number of selected partners. The first circle of partners should focus on innovation, new experience creation and insight generation.



Define the rules. Masters collaboratively define up front what success looks like for the platform. They determine the platform requirements and outline what is a fair exchange of value, such as the balance of risk/reward negotiated by the ecosystem partners.



Build it. After joining the right partners and identifying the right parameters, the ecosystem participants should find or co-build a platform that meets the outlined needs. There should be a natural convener that sets the tone for collaboration and has the gravitas to pull in peers and establish enough traction so that others will join.



Scale it. When scaling a partner ecosystem, think beyond the platform. Collaboration across stakeholders and growth of the developer ecosystem hinge on high quality, innovative and readily accessible content; usability of the platform; and partner marketing—segmented, targeted outreach powered by analytics.

Platform progress

Platforms power the ecosystem, allowing all participants access to new offerings and capabilities, expanded revenue pools and greater efficiencies. The data amassed and shared from platform participants drives insights into the developer and user base to increase value of the common platform. For developers, the platform provides opportunities to monetize investments and developments.

Adobe's I/O platform is a developer ecosystem and community. By allowing access to developer tools and APIs for all Adobe products, Adobe is tapping into a broader base of talent and capabilities to power its product suite.¹¹

The Square payment platform allows beauty salons, food trucks, electricians and more to process payments seamlessly. Square's software developer's kits (SDKs) and APIs are free for developers to use. Customers benefit from out-of-the-box thinking and innovation, and they enjoy freedom from legacy applications.¹²



Platforms power the ecosystem, allowing all participants access to new offerings and capabilities, expanded revenue pools and greater efficiencies.

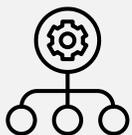
MASTER THE ECOSYSTEM CULTURE

The most successful in the ecosystem are those companies who embrace an ecosystem culture. Only then are they able to manage strategic, systematic and programmatic collaboration across the key capabilities that enable an ecosystem—data sharing, talent pooling and building the platform.

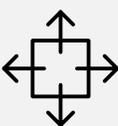
Learn from the ecosystem masters and pursue bolder approaches to seizing the ecosystem opportunity:



Adopt the mindset. Embrace the notion of collaboration. Most masters (77 percent) are open to partnering broadly in a variety of areas.¹³



Lead from the top. Garner commitment from senior leaders who will commit time and resources to building a successful ecosystem. Clearly define a role for leading the ecosystem—62 percent of masters have the CEO responsible for the ecosystem strategy.¹⁴



See beyond four walls. Sharing equals succeeding. More than half (61 percent) of masters are consistently looking across the value chain for opportunities to collaborate because they understand the value at stake.¹⁵ Be willing to share data to gain better insights and talent to build stronger capabilities that win over customers. Share value through co-developed platforms.

Ecosystems are here to stay. There are masters seizing the opportunity, and non-masters who are missing out on the full potential of ecosystems. Which will you be?

NOTES

- ¹ Michael Lyman, Ron Ref and Oliver Wright, "Cornerstone of Future Growth: Ecosystems," Accenture Strategy, May 11, 2018.
- ² World Economic Forum, in collaboration with Accenture, "Digital transformation initiative: Unlocking \$100 trillion for business and society from digital transformation," January 2017.
- ³ Michael Lyman, Ron Ref and Oliver Wright, "Cornerstone of Future Growth: Ecosystems," Accenture Strategy, May 11, 2018.
- ⁴ Accenture Strategy Ecosystem Research, 2018.
- ⁵ Ibid.
- ⁶ Mary Wisniewski and Brian Patrick Eha, "BBVA and B of A move to make data sharing safer, less painful," *American Banker*, May 24, 2017.
- ⁷ Accenture Strategy Ecosystem Research, 2018.
- ⁸ Ibid.
- ⁹ Ibid.
- ¹⁰ Ibid.
- ¹¹ About Adobe I/O, Adobe 2018.
- ¹² Square Developer, Square, 2018.
- ¹³ Accenture Strategy Ecosystem Research, 2018.
- ¹⁴ Ibid.
- ¹⁵ Ibid.

JOIN THE CONVERSATION



@AccentureStrat



www.linkedin.com/company/accenture-strategy

CONTACT THE AUTHORS

Olivier Jankelovics

olivier.jankelovics@accenture.com

Caitlyn Truong

caitlyn.truong@accenture.com

Ariel Junqueira

ariel.junqueira@accenture.com

Danielle Kuchinskas

danielle.kuchinskas@accenture.com

ABOUT THE RESEARCH

Accenture Strategy identified 106 ecosystem masters across 13 industries among 1,252 companies surveyed. We looked for companies that plan to lead as many ecosystems as possible, aim to disrupt their industry using ecosystems, and target 5 percent or more growth through their ecosystem initiatives. The companies identified believe for ecosystems to be successful, they require a shared vision and shared performance metrics among partners, and they need to partner differently in ecosystems compared to traditional partnerships to be effective.

This document makes descriptive reference to trademarks that may be owned by others. The use of such trademarks herein is not an assertion of ownership of such trademarks by Accenture and is not intended to represent or imply the existence of an association between Accenture and the lawful owners of such trademarks.

Copyright © 2018 Accenture
All rights reserved.

Accenture, its logo, and
High Performance. Delivered.
are trademarks of Accenture.

ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With 449,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

ABOUT ACCENTURE STRATEGY

Accenture Strategy operates at the intersection of business and technology. We bring together our capabilities in business, technology, operations and function strategy to help our clients envision and execute industry-specific strategies that support enterprise wide transformation. Our focus on issues related to digital disruption, competitiveness, global operating models, talent and leadership help drive both efficiencies and growth. For more information, follow [@AccentureStrat](https://twitter.com/AccentureStrat) or visit www.accenture.com/strategy.

ABOUT ACCENTURE RESEARCH

Accenture Research is a global team of industry and digital analysts who create data-driven insights to identify disruptors, opportunities and risks for Accenture and its clients. Using innovative business research techniques such as economic value modeling, analytics, crowdsourcing, expert networks, surveys, data visualization and research with academic and business partners they create hundreds of points of views published by Accenture every year.