



# Business Ecosystem Leadership

## The State of the Practice

Highlights from a Global CFFO Survey

February 2023



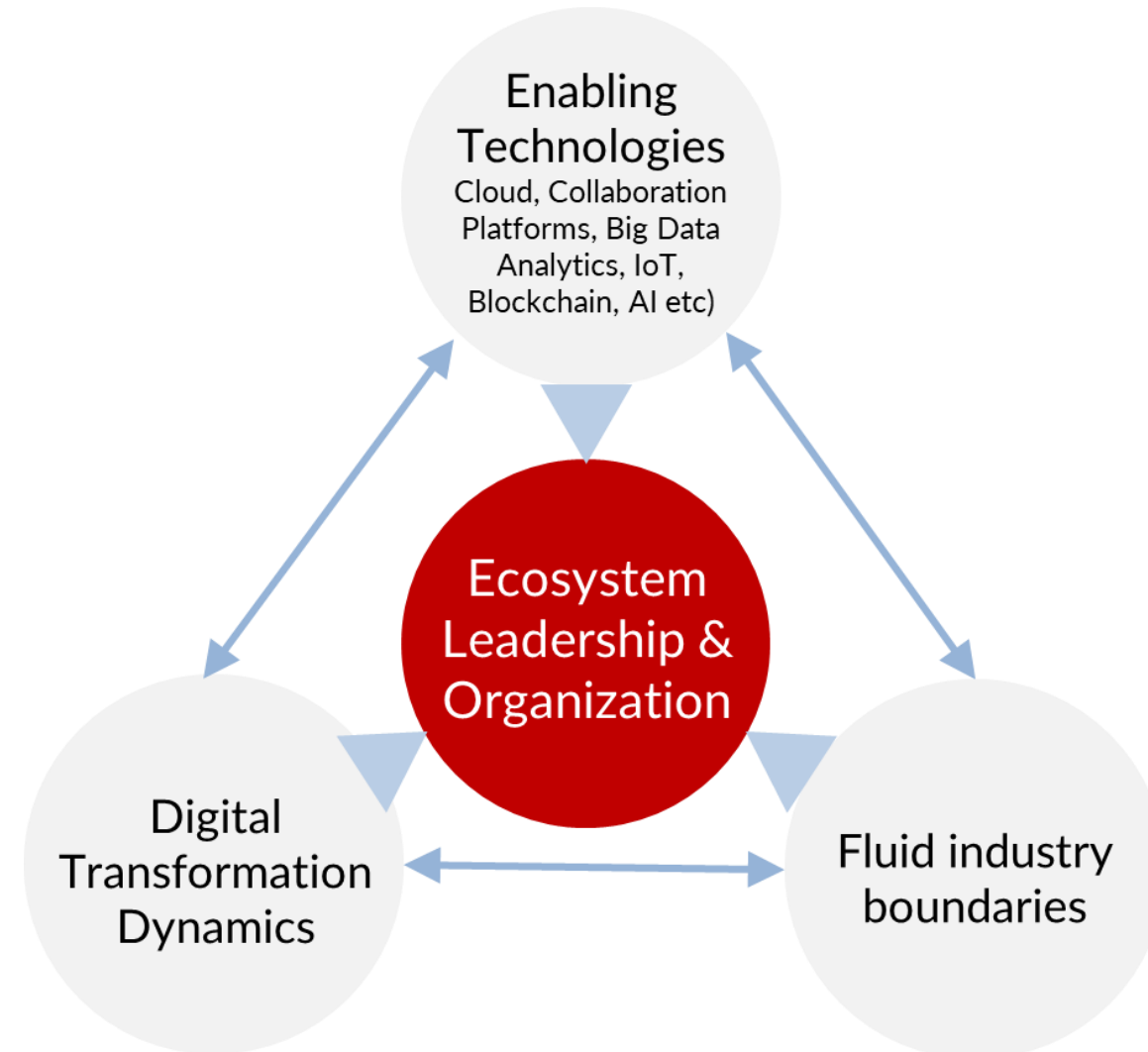
# The Context

# Ecosystems are Shaping the Future of Organization



- Over the last few years, **business ecosystems** have gained **significant impact** on the way businesses work, **disrupting the way we are used to design strategy and organizations**.
- Effective ecosystem engagement not only upsets current practices and routines; it is also a key lever for a radical **transformation of our traditional management and leadership models**.
- Organizations must **embrace the new realities** and develop the capabilities to deal with the risks and opportunities that come with business ecosystem engagement.
- By doing so, they create a **future-proof organization** and will enjoy a **new form of competitive advantage**

# We Face a Perfect Storm that Puts Ecosystem Leadership and Organization Center Stage



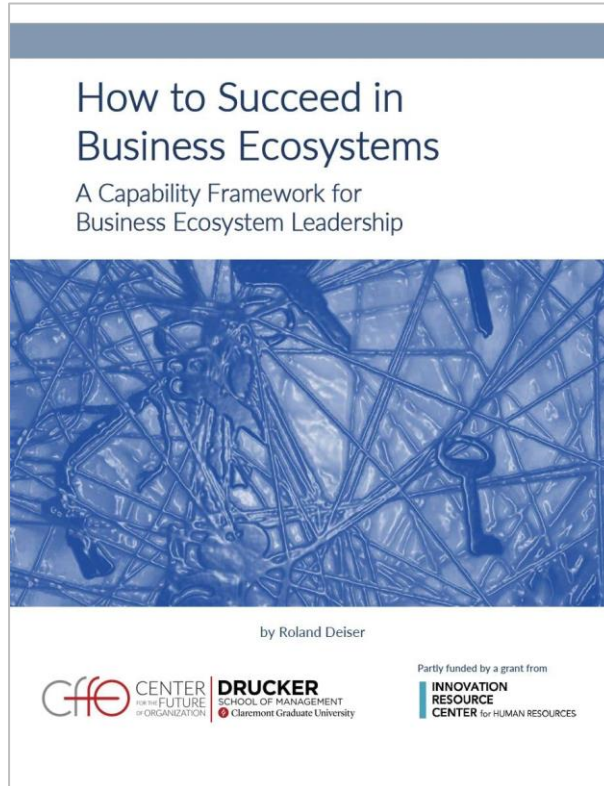
# Recent CFFO Research Addresses Key Challenges Organizations Face in This Context

It aims to...

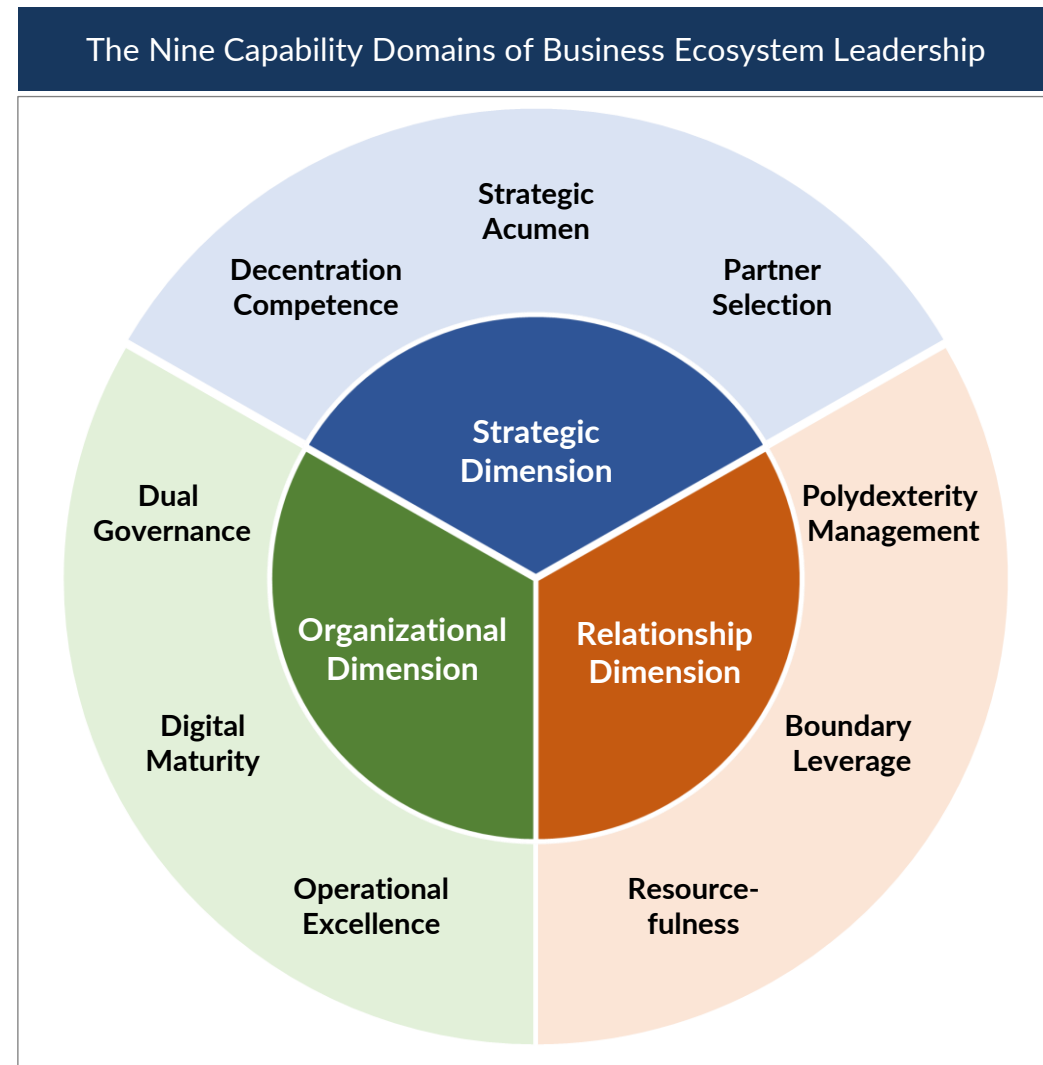
- **Enhance our understanding of the capabilities** leaders and organizations need to thrive in business ecosystems
- **Provide tangible metrics** that allow organizations to assess the current status of these capabilities
- **Identify the key enablers and barriers** along the path to excellence in business ecosystem leadership
- **Identify relevant practices** that showcase impactful business ecosystem leadership (creation of a case library)
- **Support leaders and their organizations** in coping with the unavoidable transformation through conferences, think tanks, executive peer networks, and executive education



# To Structure the Complex Arena, we Developed a Nine-Dimensional Capability Framework



For a more detailed description of the framework read our research report – available on the CFFO website and as booklet at Amazon



# ELX™ - The CFFO Business Ecosystem Leadership Index

Rooted in the framework, the ELX Index provides **unique insights** for every organization that wants to engage in business ecosystems.

- Designed to assess business ecosystem leadership capabilities **across functions and industries**
- Easily adoptable for individual organizations, allowing for **benchmark comparisons** and **strength/weakness analyses**
- Serves as a catalyst for **creating awareness** and a **strategic dialogue** within organizations



ELX Index scale: 0-100 points

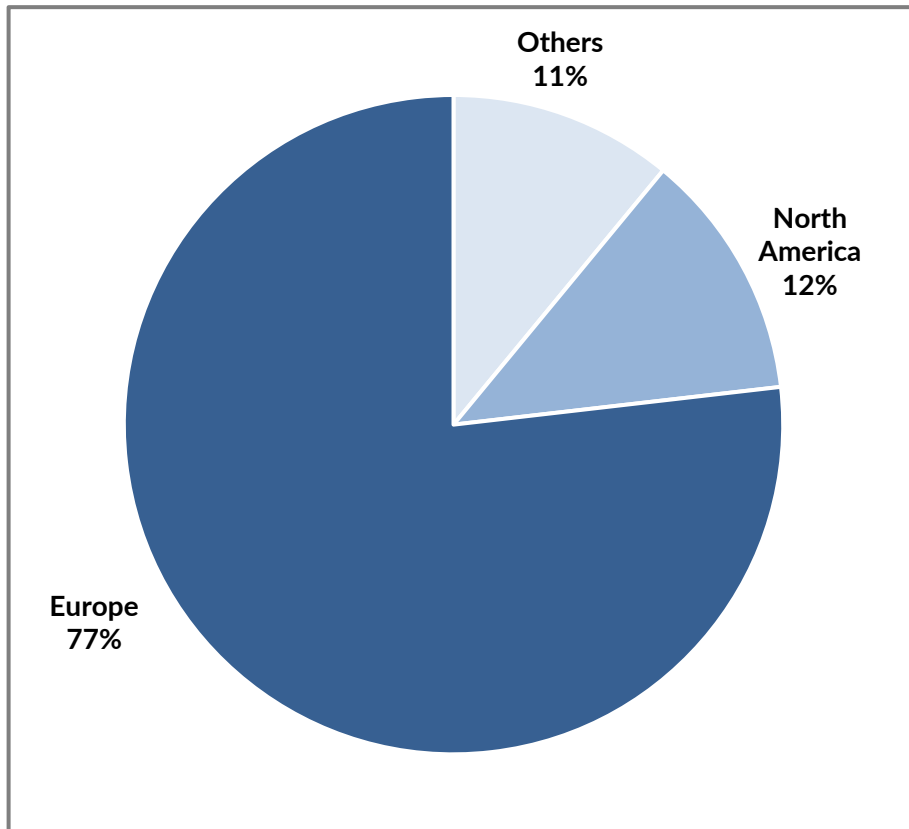


# The Survey

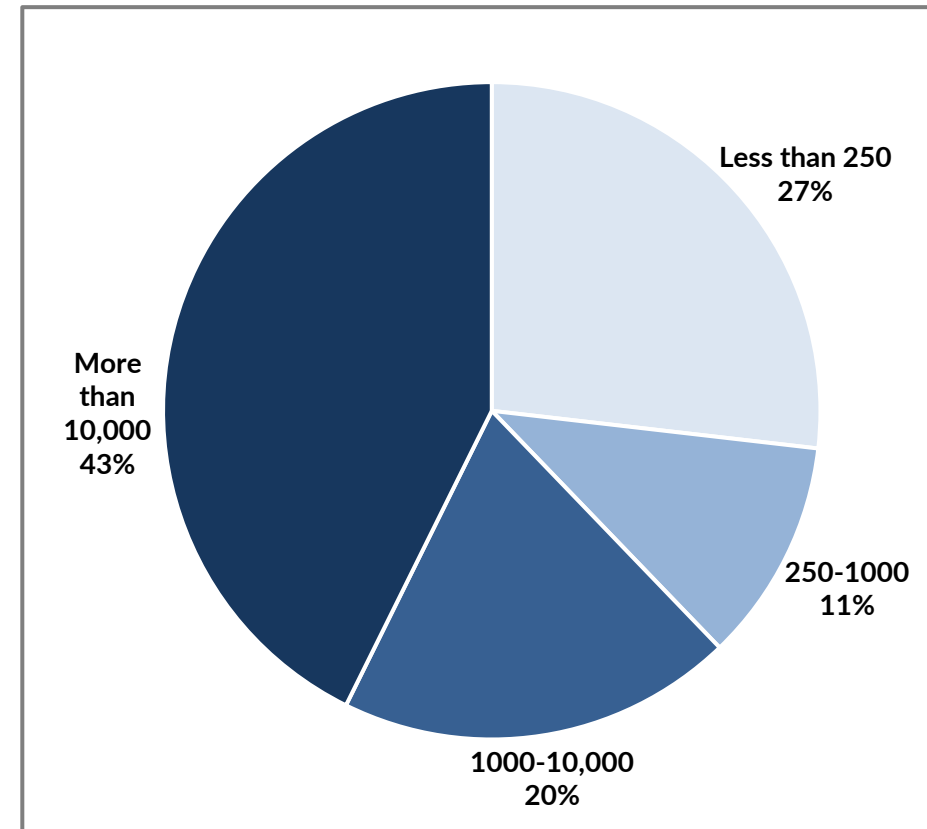


# Our Sample includes 165 Companies, Most of Them Large and Headquartered in Europe

## Geographical Scope

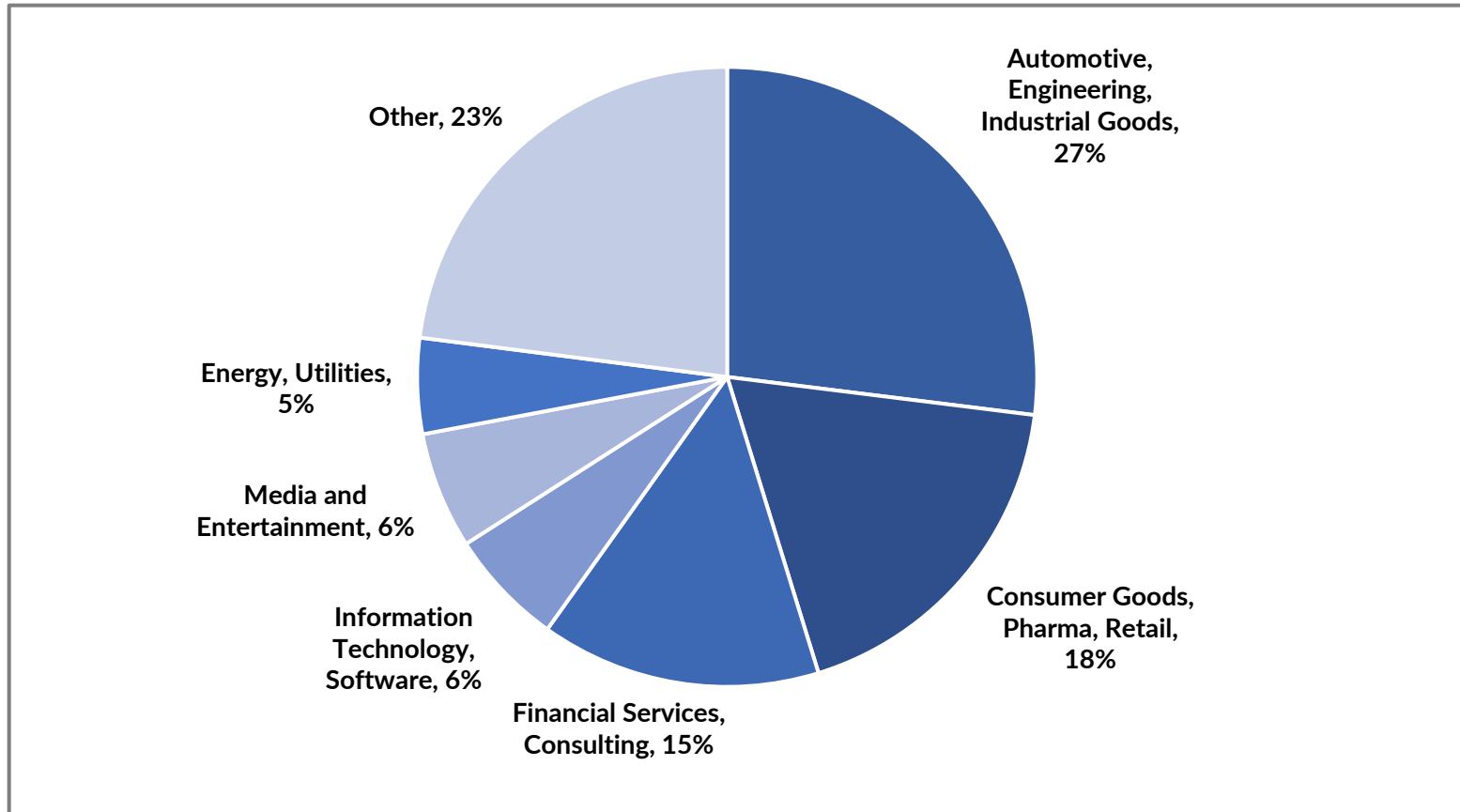


## Number of Employees



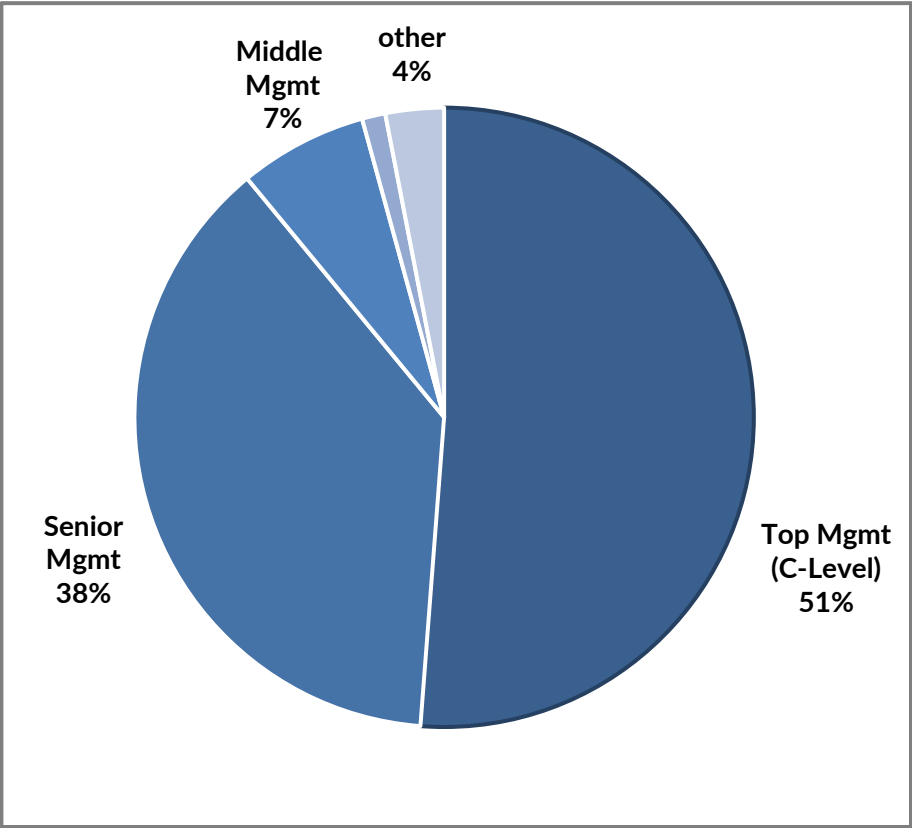
# They Come From a Wide Range of Industries

## Industries (clustered)

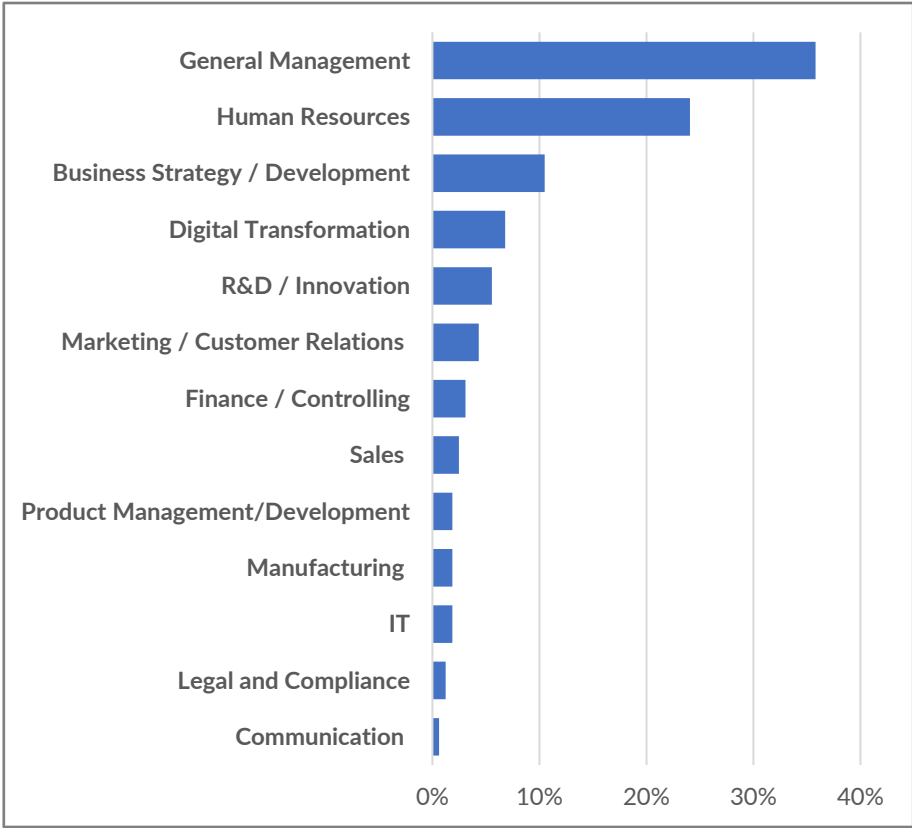


# The Vast Majority Bring a Senior or Top Executive Perspective to the Topic

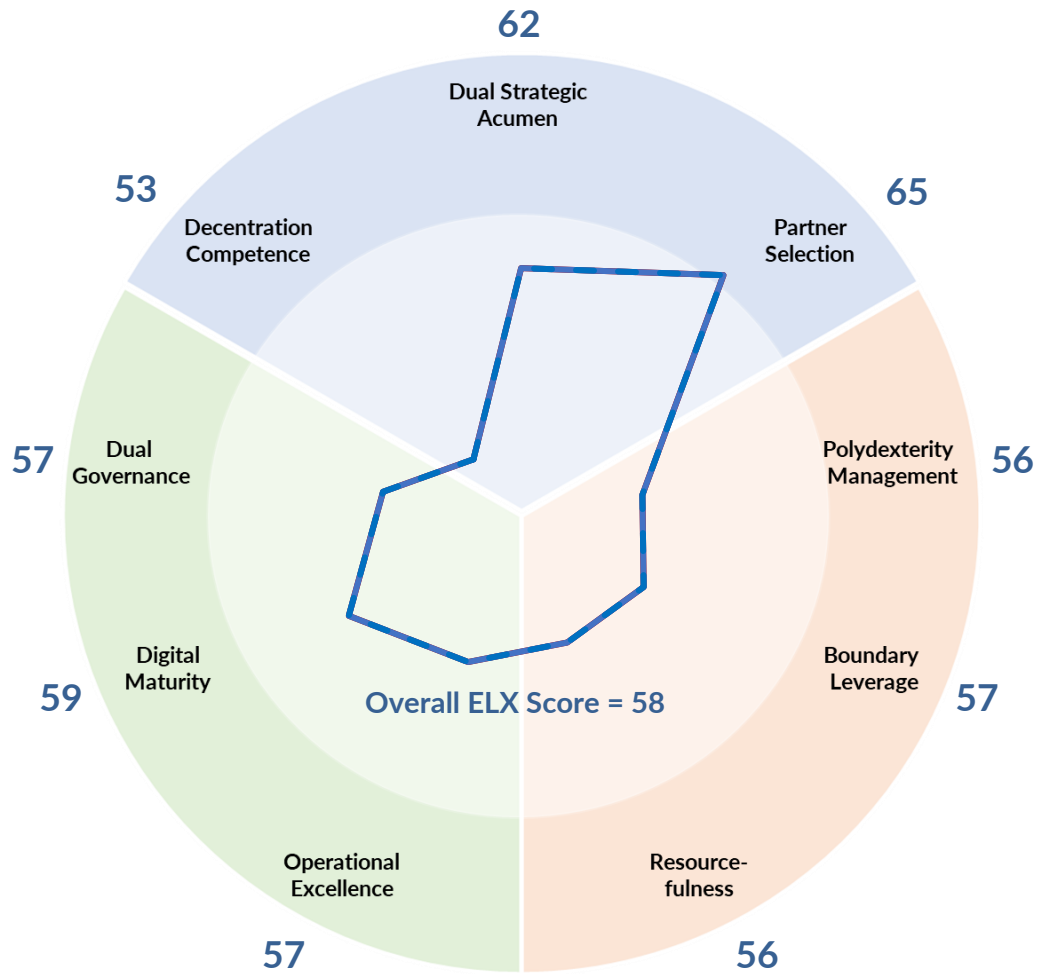
### Seniority



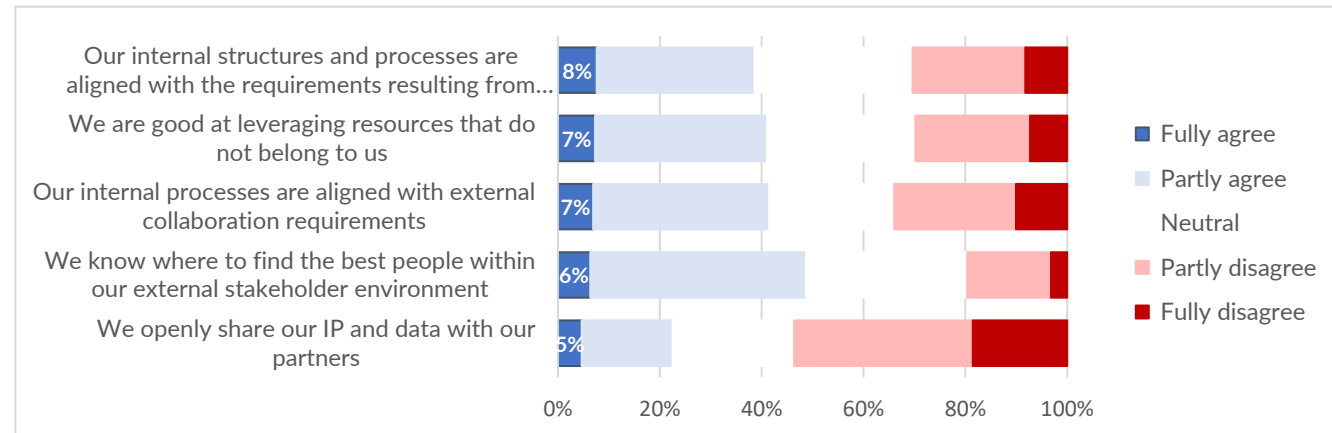
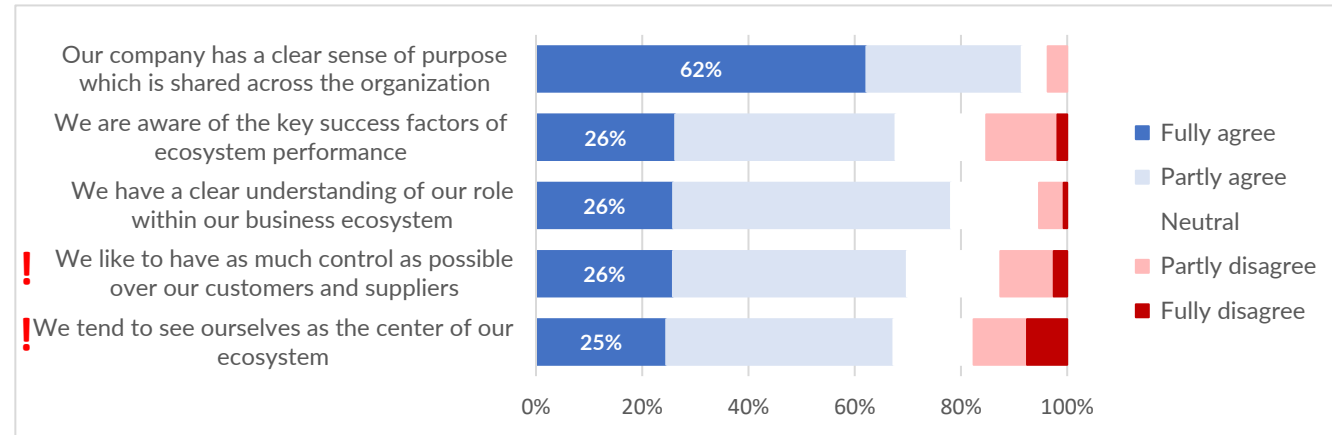
### Functions



# The First Look at the Overall ELX Index Reveals Significant Insights on Strengths and Weaknesses

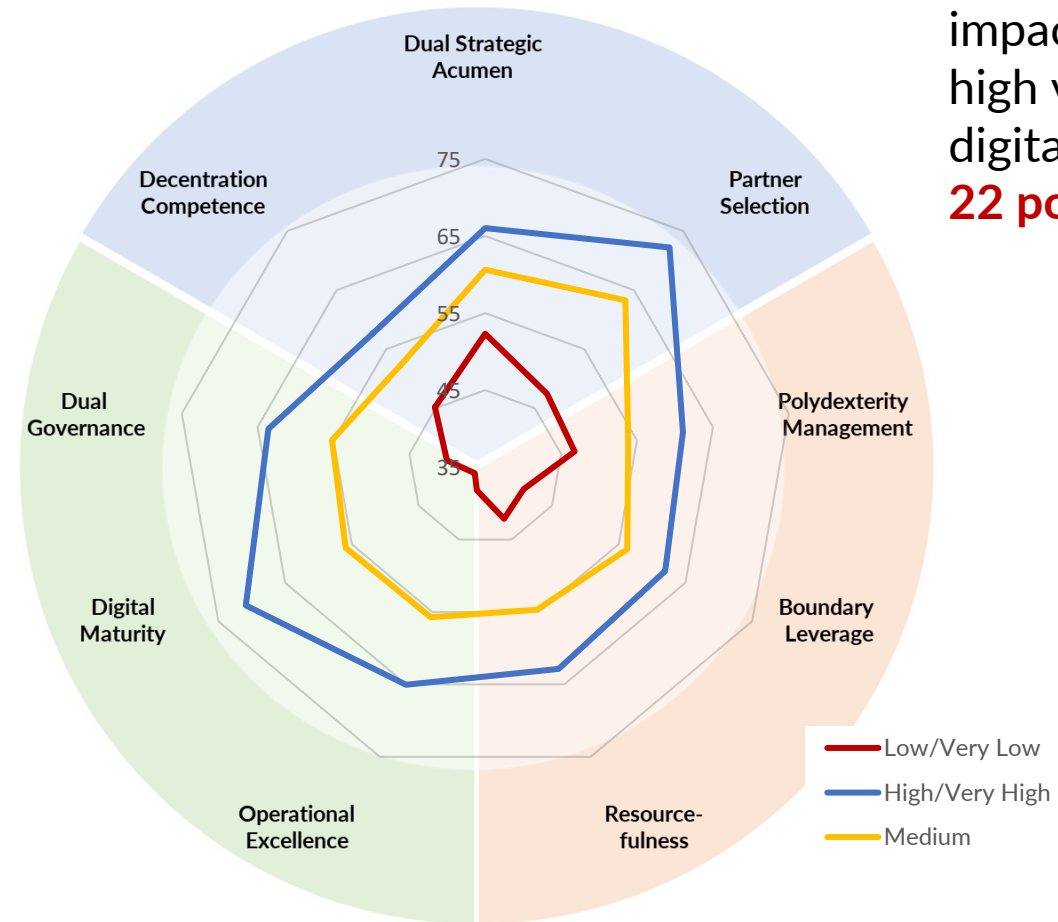
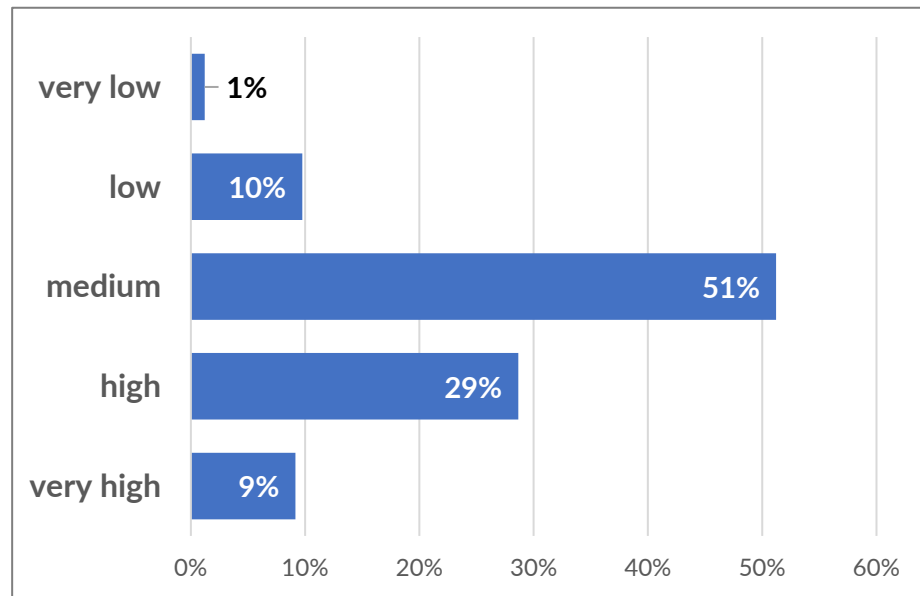


## “Fully agree” items: top 5, bottom 5



# Digital Maturity has a Significant Impact on the ELX

“How would you intuitively assess the current digital maturity of your corporation?”

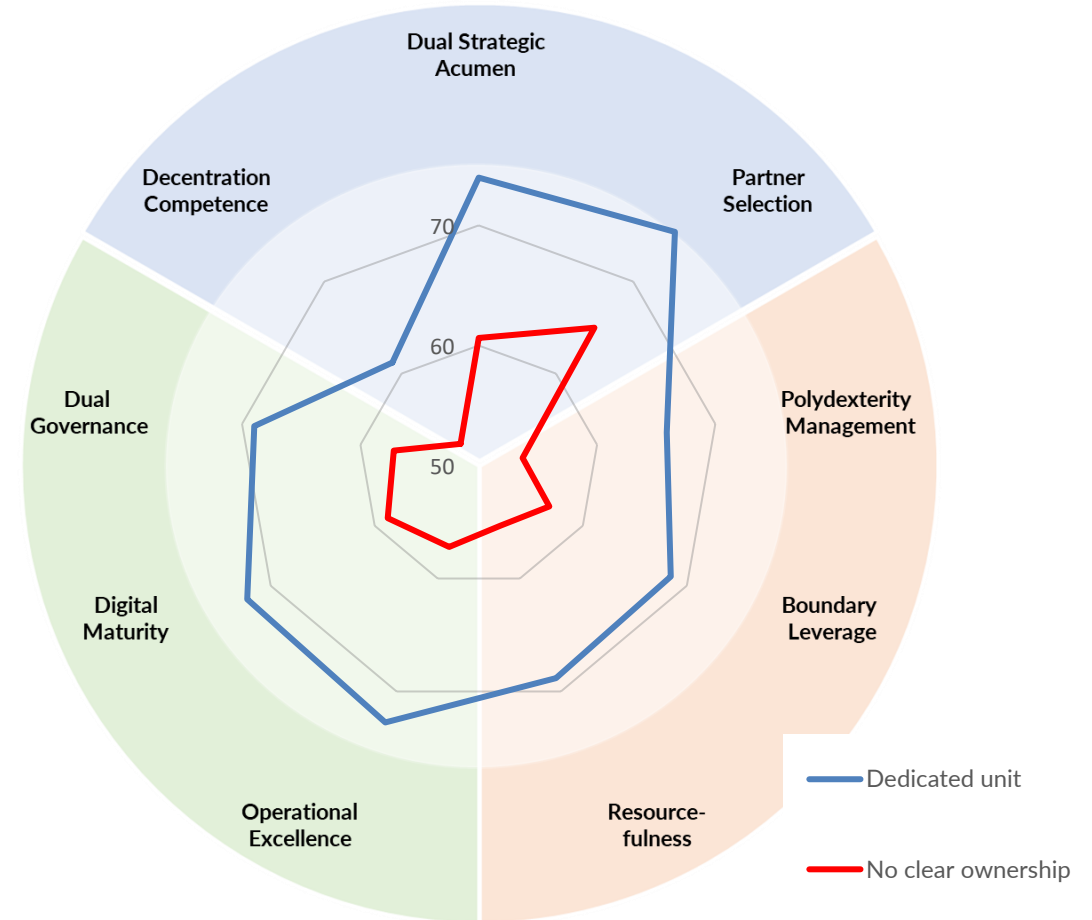
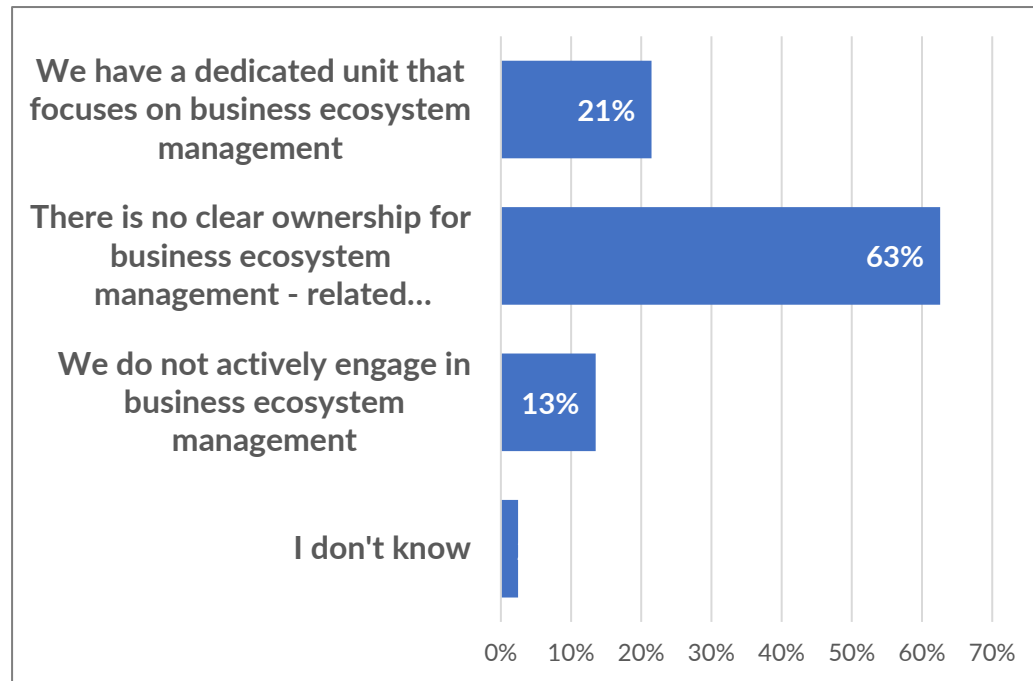


Average ELX impact of high vs low digital maturity: **22 points**

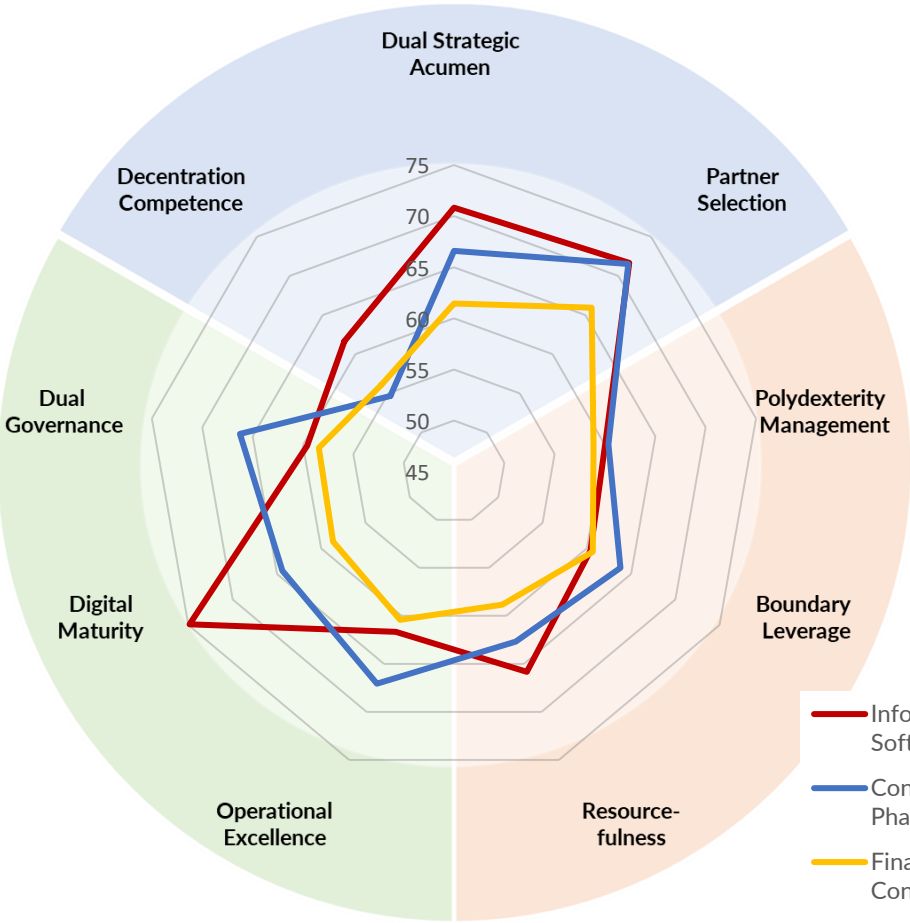


# Org Units Dedicated to Business Ecosystem Management are Still Not Very Common

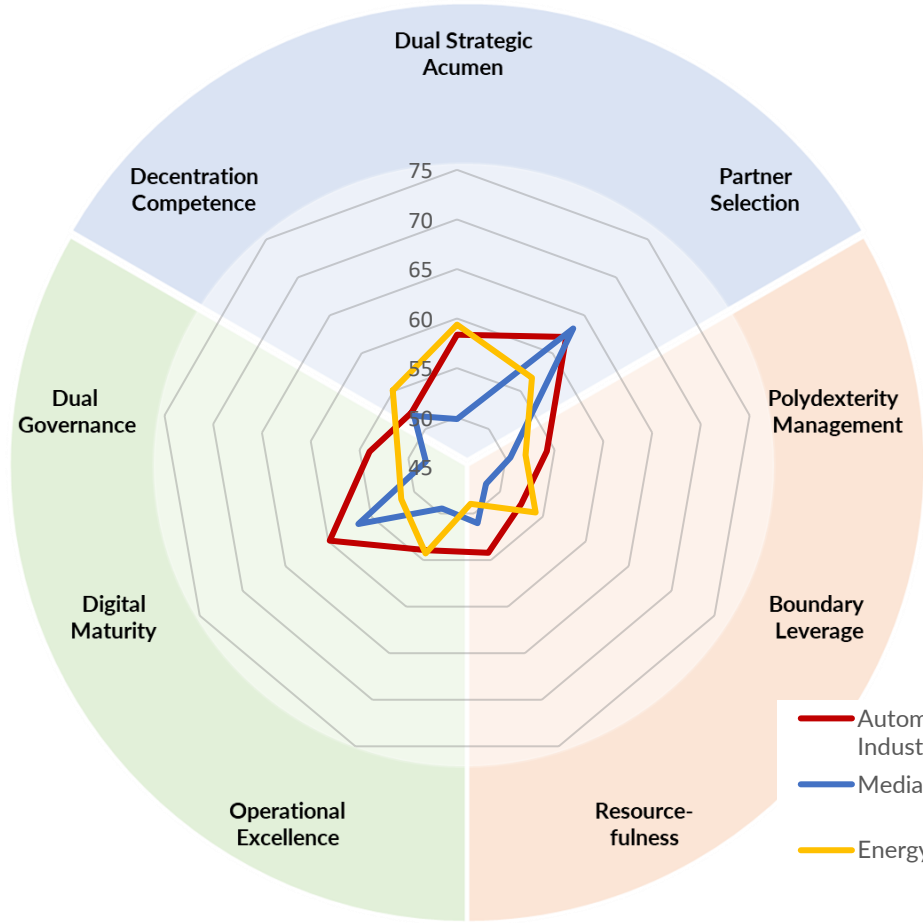
“How do you organize for business ecosystem management/development?”



# Industries Differ in Their Ecosystem Capabilities - Not Surprisingly, IT Industries Score Best



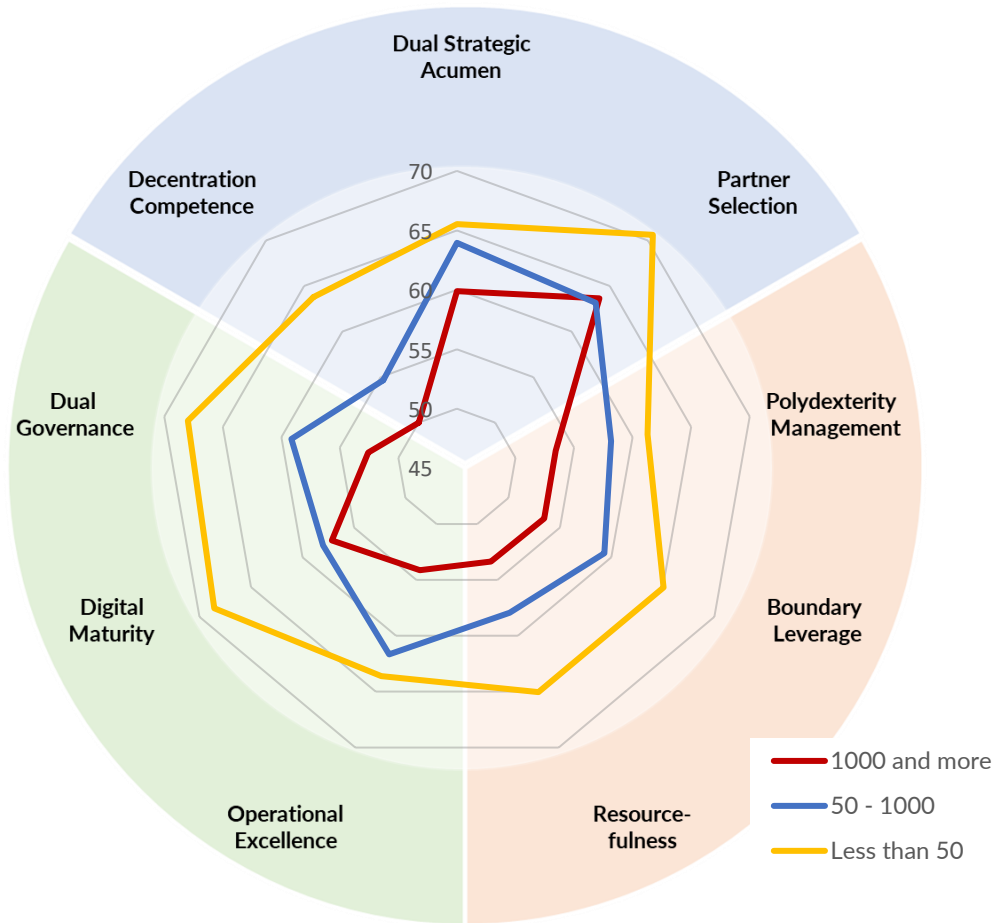
- Information Technology, Software
- Consumer Goods, Pharma, Retail
- Financial Services, Consulting



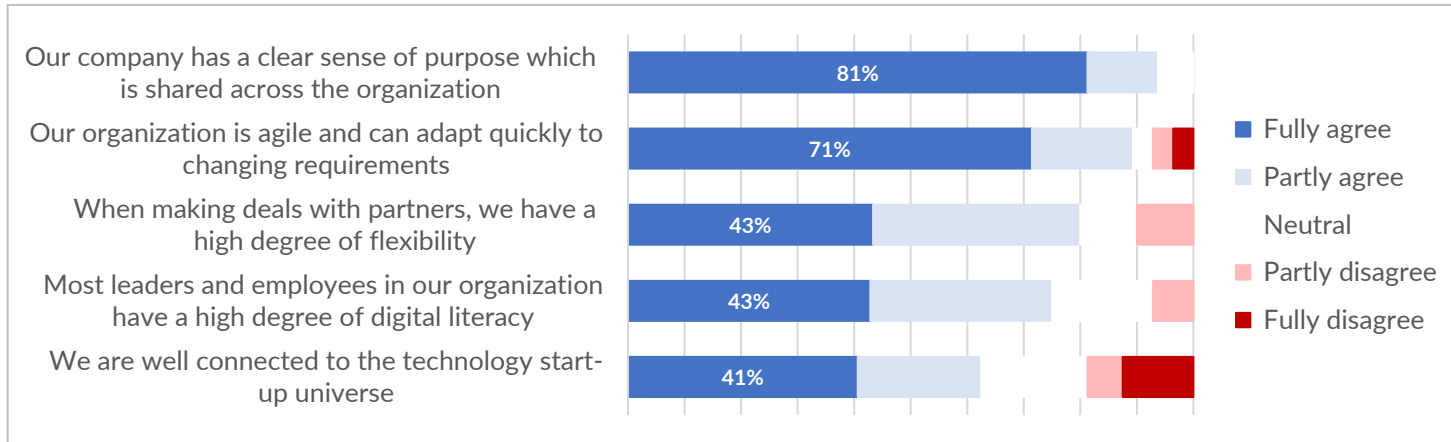
- Automotive, Engineering, Industrial Goods
- Media, Entertainment
- Energy, Utilities



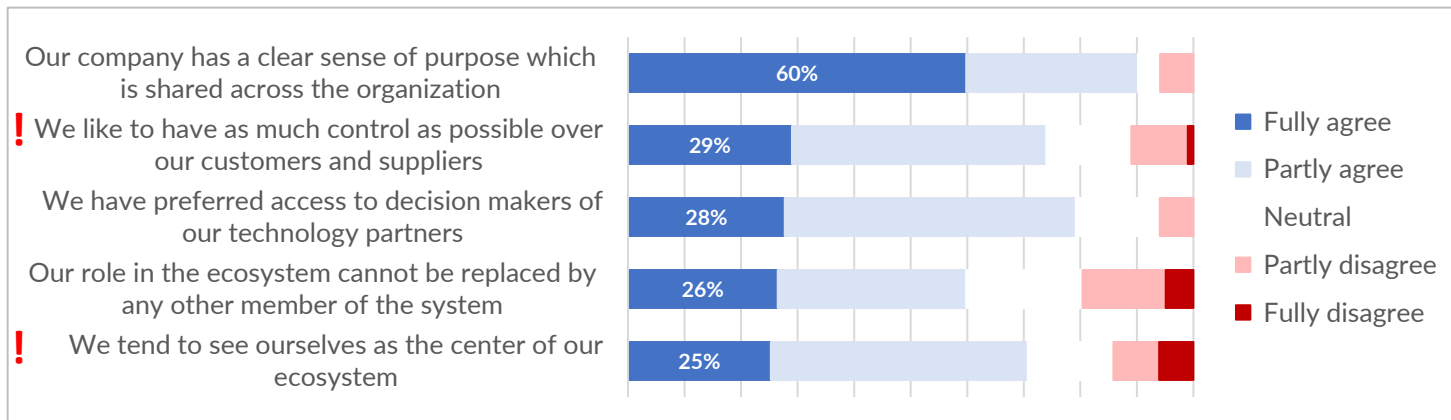
# Company Size Differences Suggest Small Firms' Flexibility Provides Advantage



## Top 5 "Fully agree" items; less than 50 employees

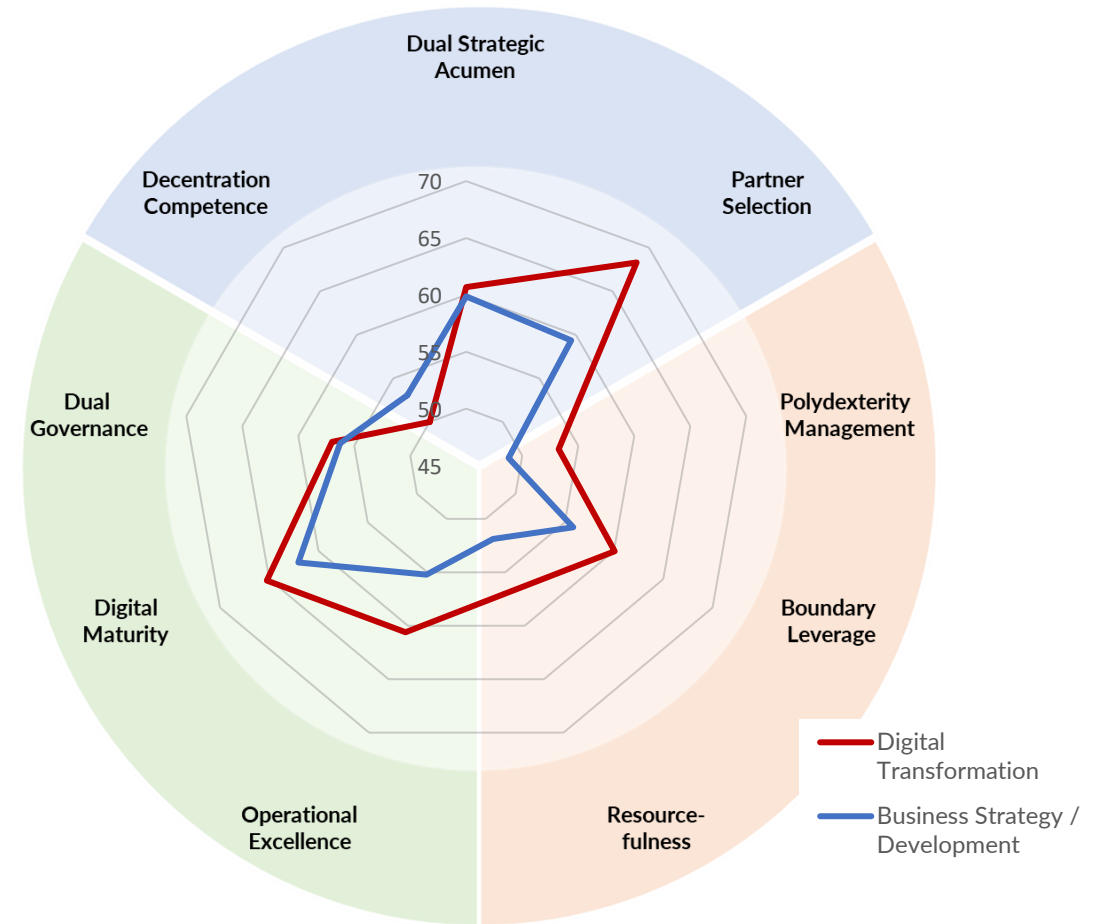
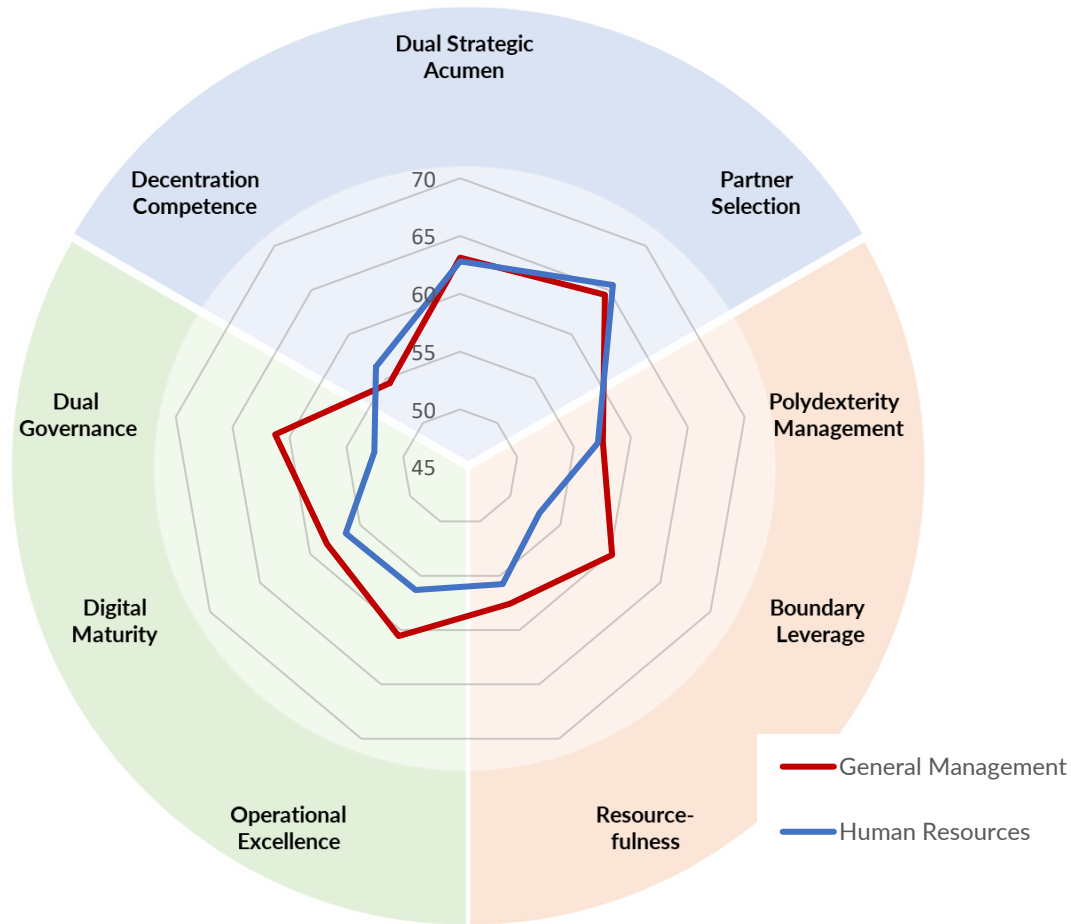


## Top 5 "Fully agree" items; 1000 and more employees

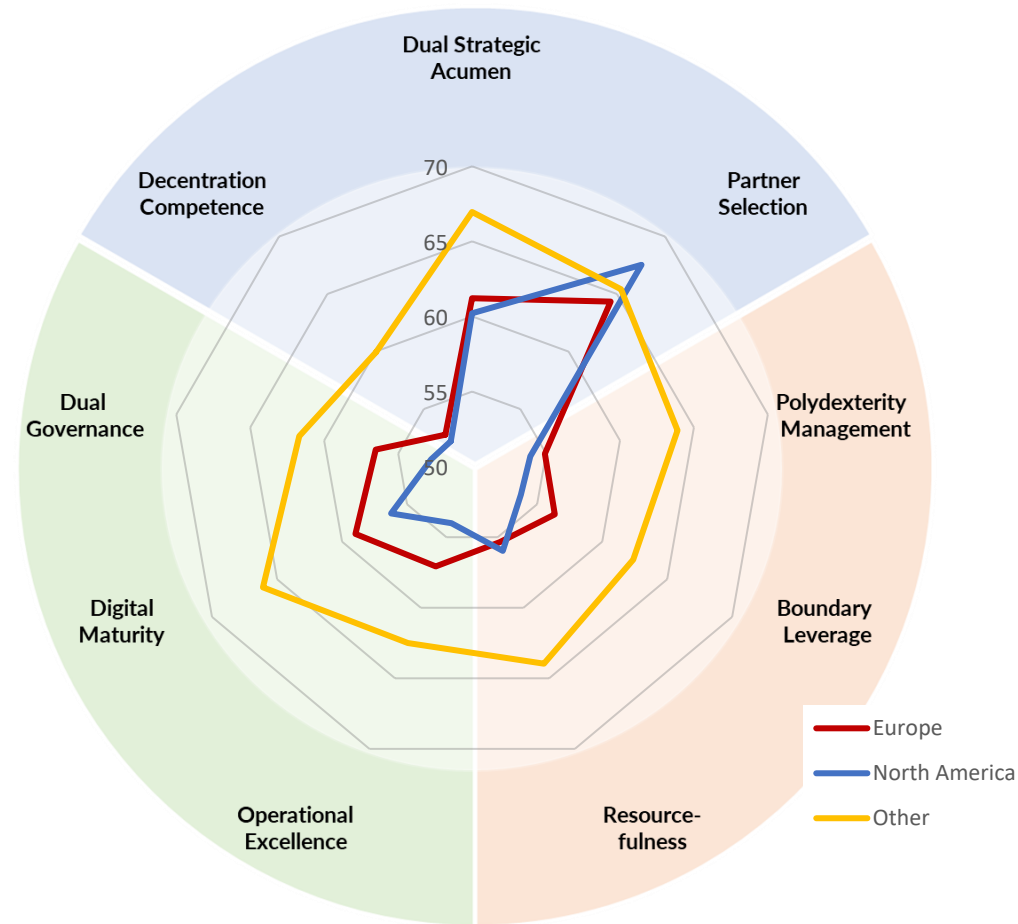




# The Various Functions have a Similar View of Their Companies' Capabilities



# Geographical Differences Suggest that Non-EU/US Companies are Perceived More Positively



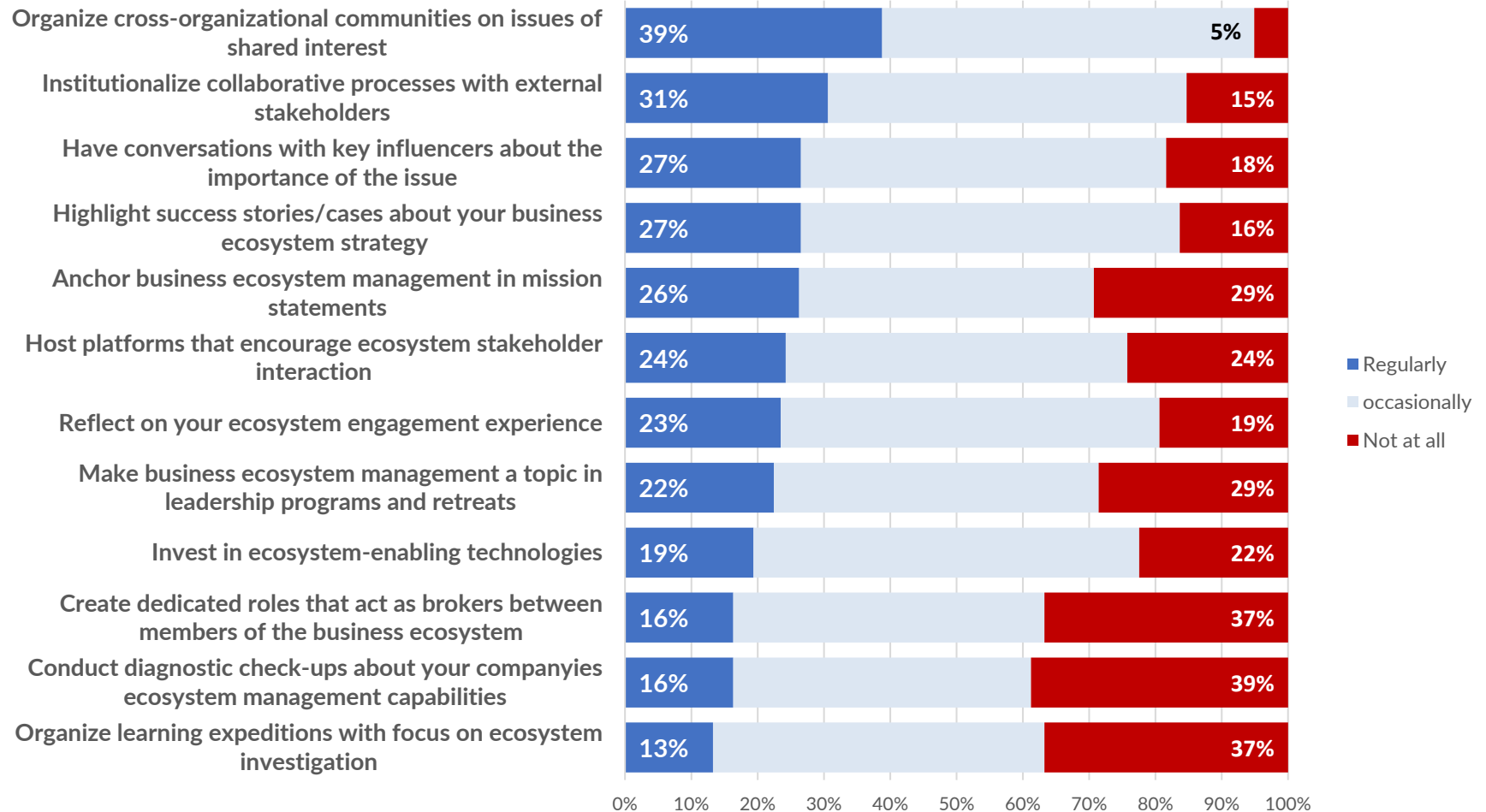


# Enabling Activities

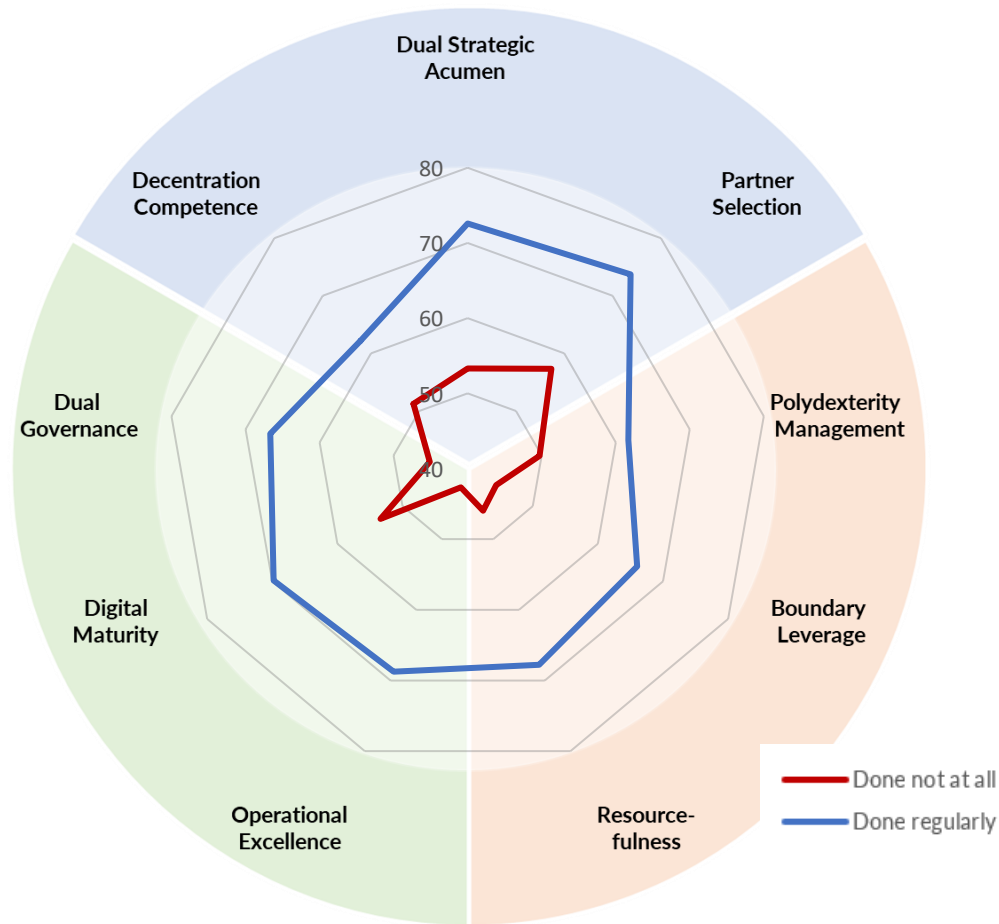
# Only a Minority Engages Systematically in Ecosystem-Strengthening Activities

“Here is a list of activities that may strengthen your business ecosystem leadership capabilities.

To which degree do you apply these within your organization?”

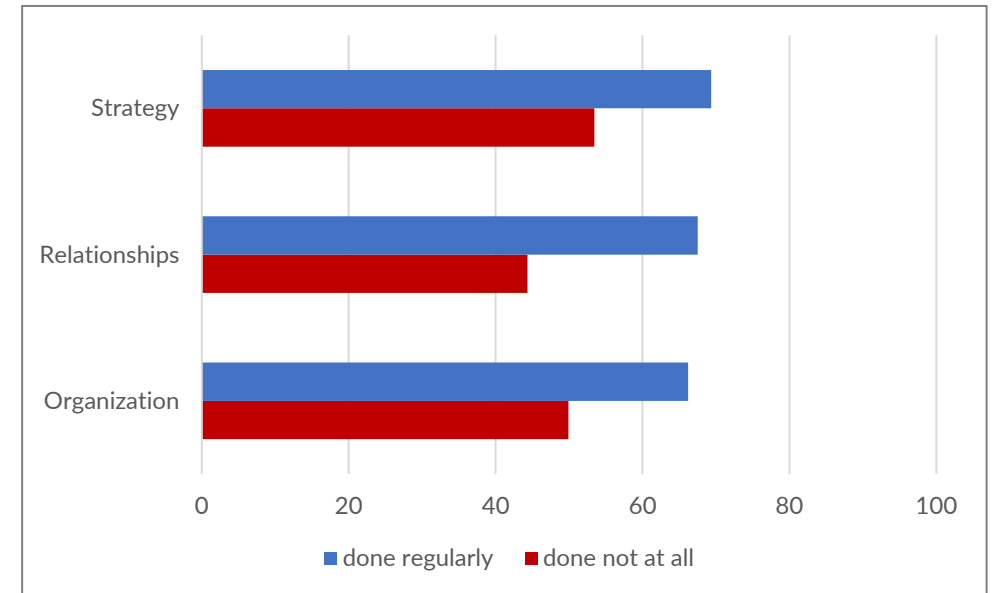


# Anchor Business Ecosystem Management in Mission Statements



Impact on overall ELX Index: **19 points**

- Total Sample 58
- Done regularly 68
- Done not at all 49

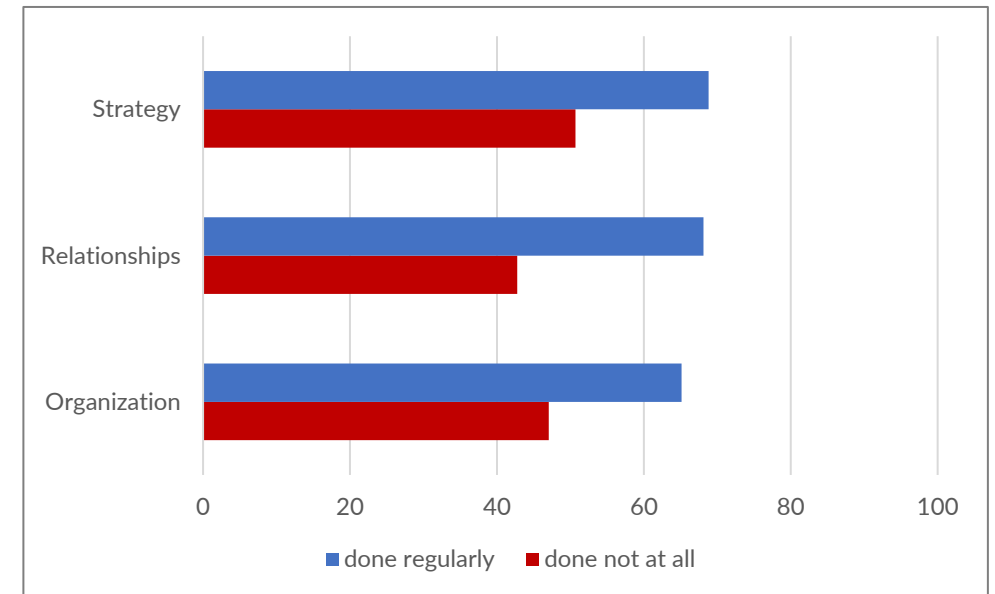


# Host Platforms that Encourage Ecosystem Stakeholder Interaction

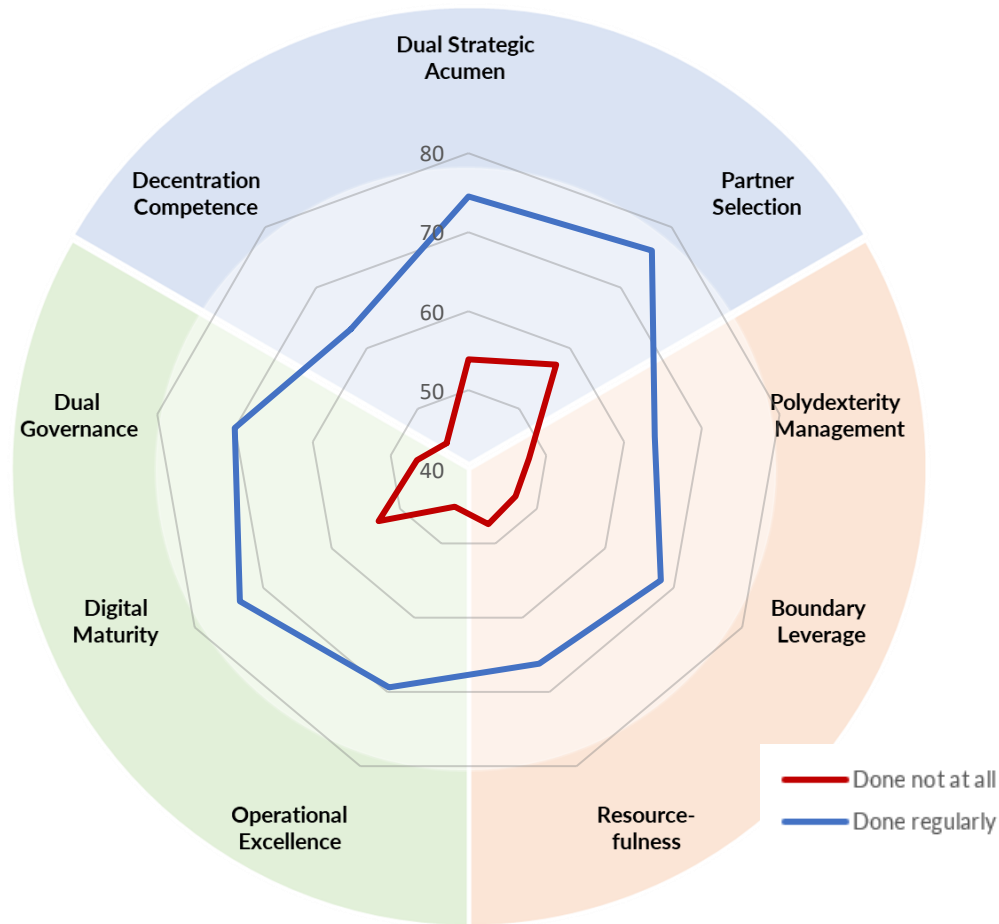


Impact on overall ELX Index: **20 points**

- Total Sample 58
- Done regularly 67
- Done not at all 47

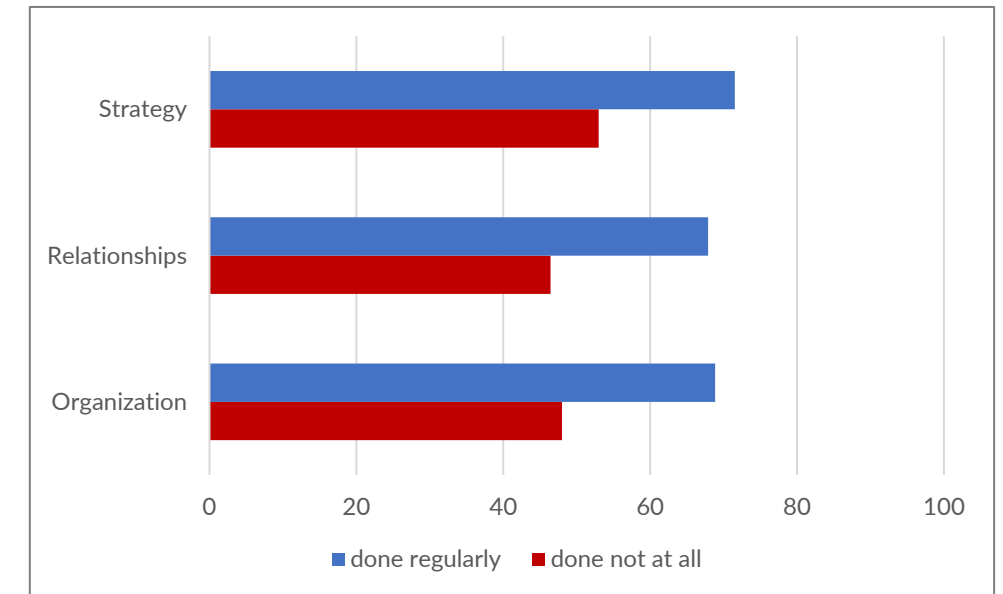


# Highlight Success Stories/Cases About your Business Ecosystem Strategy

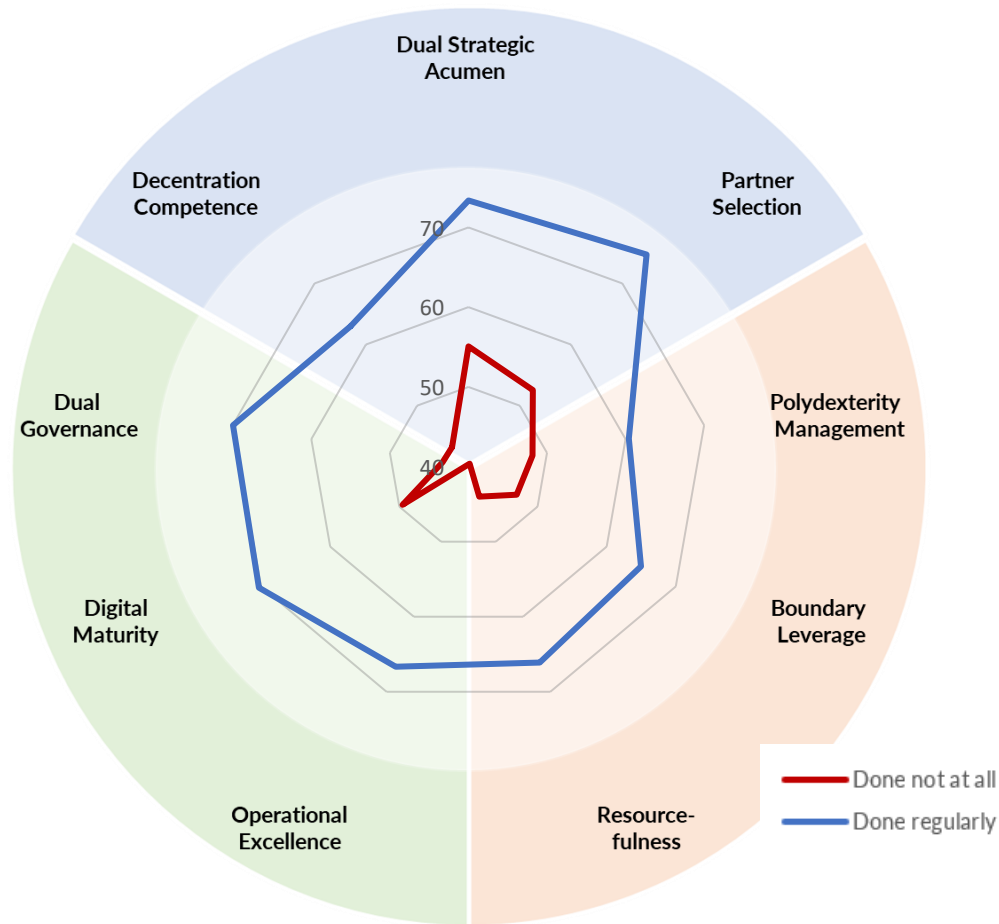


Impact on overall ELX Index: **20 points**

|                   |    |
|-------------------|----|
| ■ Total Sample    | 58 |
| ■ Done regularly  | 69 |
| ■ Done not at all | 49 |

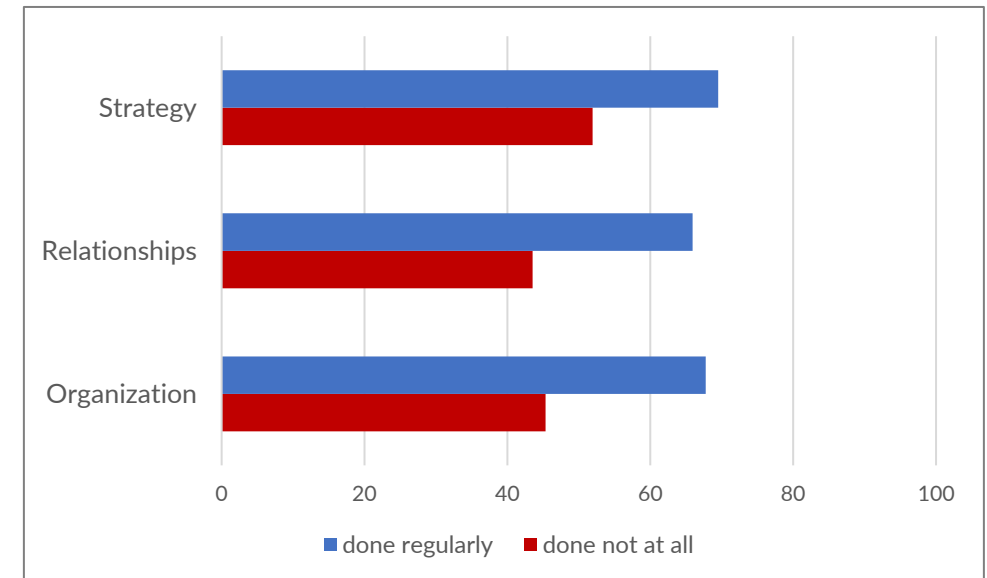


# Have Conversations with Key Influencers About The Importance of the Issue



Impact on overall ELX Index: **21 points**

- Total Sample 58
- Done regularly 68
- Done not at all 47



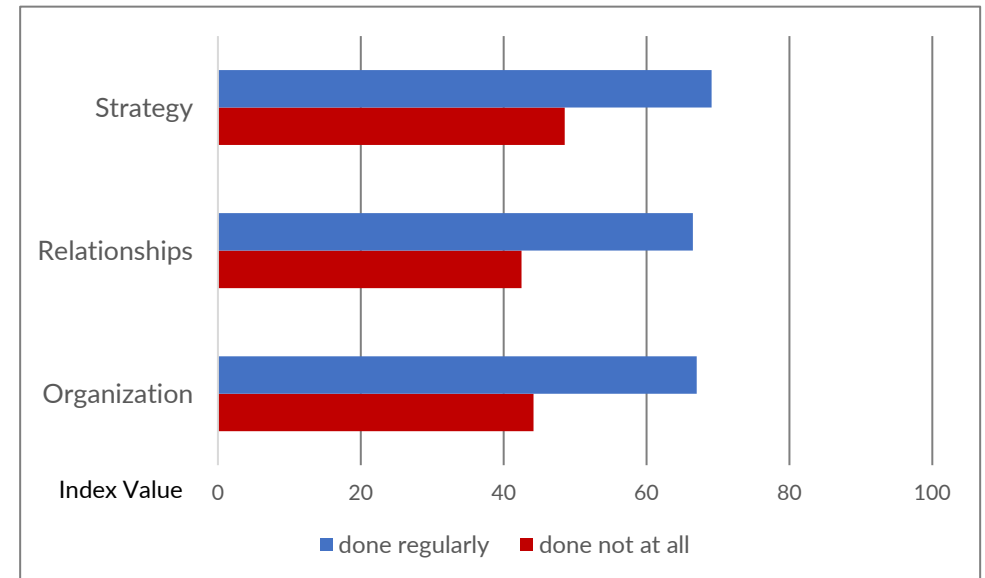


# Organize Cross-Organizational Communities on Issues of Shared Interest



Impact on overall ELX Index: **23 points**

- Total Sample 58
- Done regularly 68
- Done not at all 45

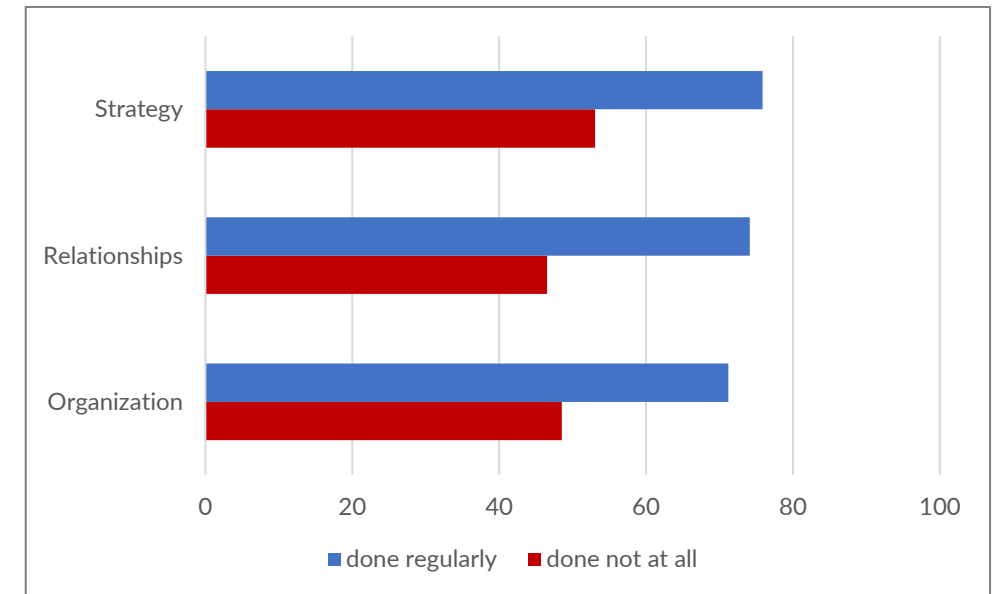


# Create Dedicated Roles That Act as Brokers Between Members of the Business Ecosystem



Impact on overall ELX Index: **25 points**

- Total Sample 58
- Done regularly 74
- Done not at all 49

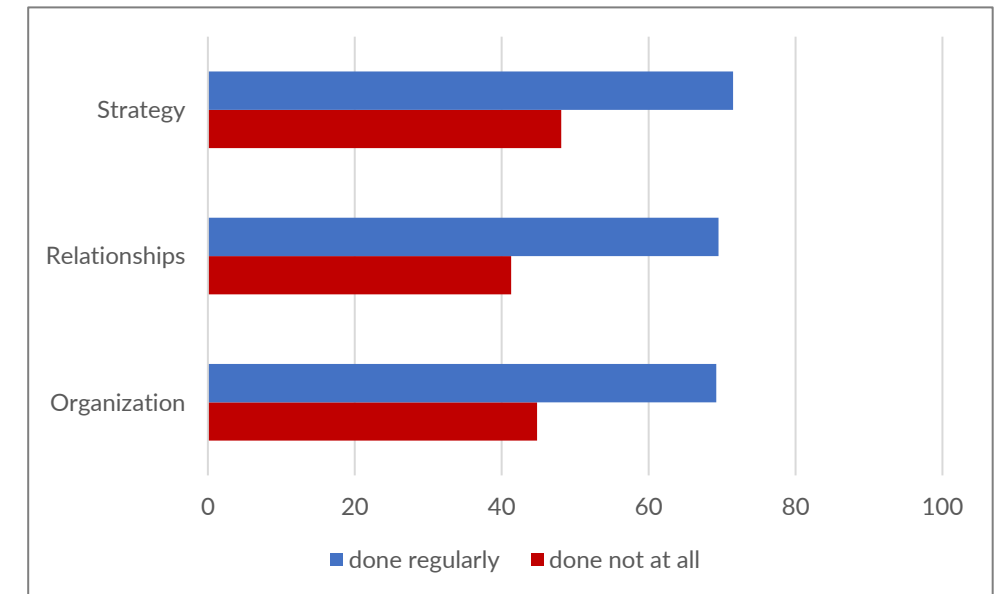


# Invest in Ecosystem-Enabling Technologies



Impact on overall ELX Index: **25 points**

- Total Sample 58
- Done regularly 70
- Done not at all 45

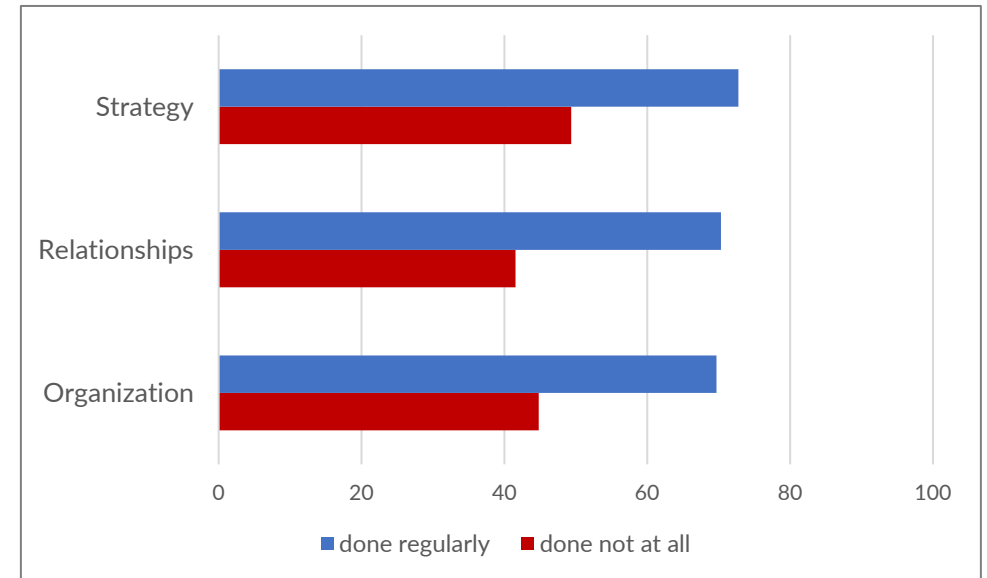


# Institutionalize Collaborative Processes with External Stakeholders

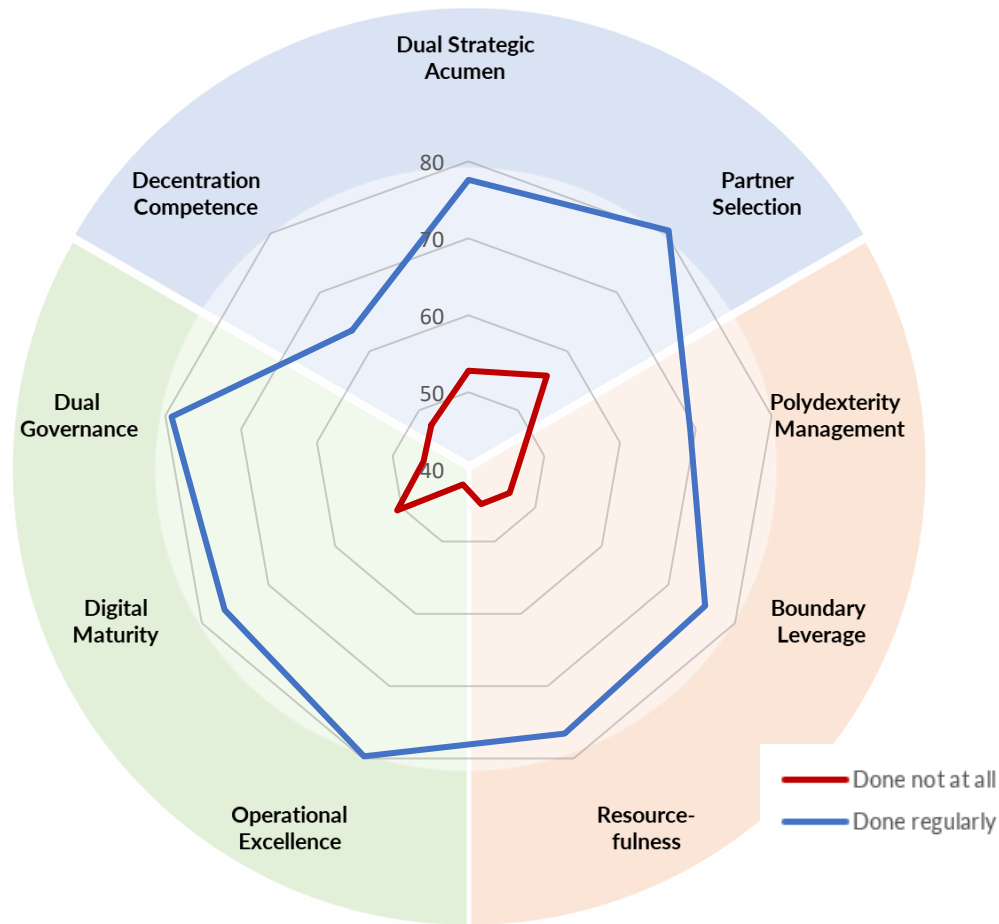


Impact on overall ELX Index: **26 points**

- Total Sample 58
- Done regularly 71
- Done not at all 45

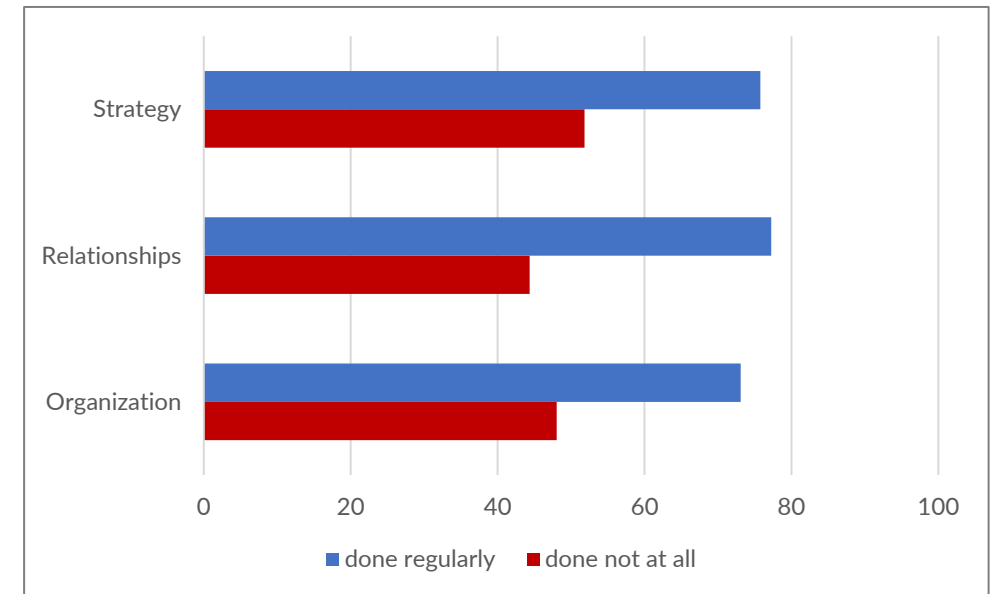


# Conduct Diagnostic Check-ups About your Company's Ecosystem Management Capabilities



Impact on overall ELX Index: **27 points**

- Total Sample 58
- Done regularly 75
- Done not at all 48

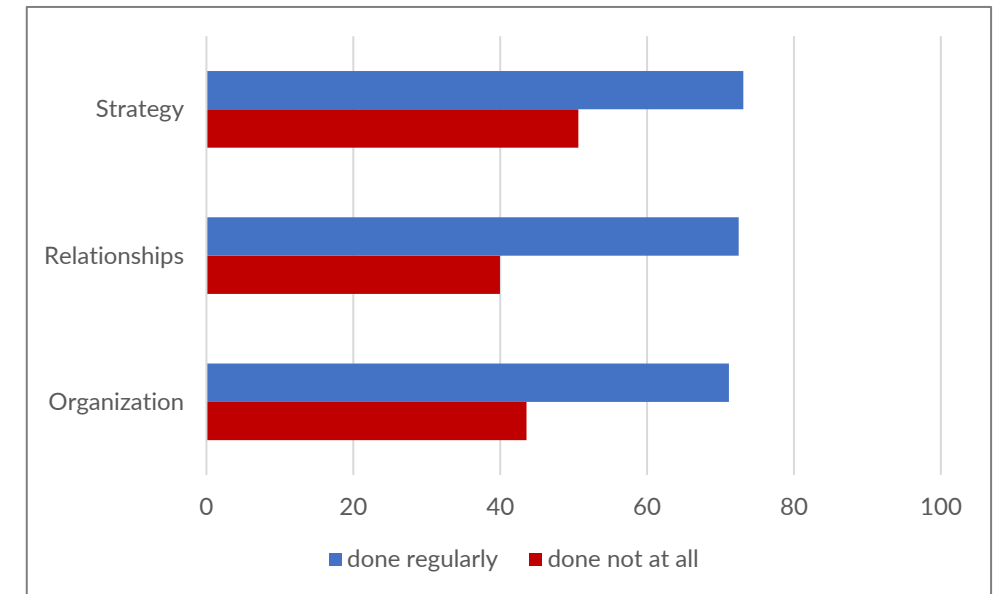


# Make Business Ecosystem Management a Topic in Leadership Programs and Retreats

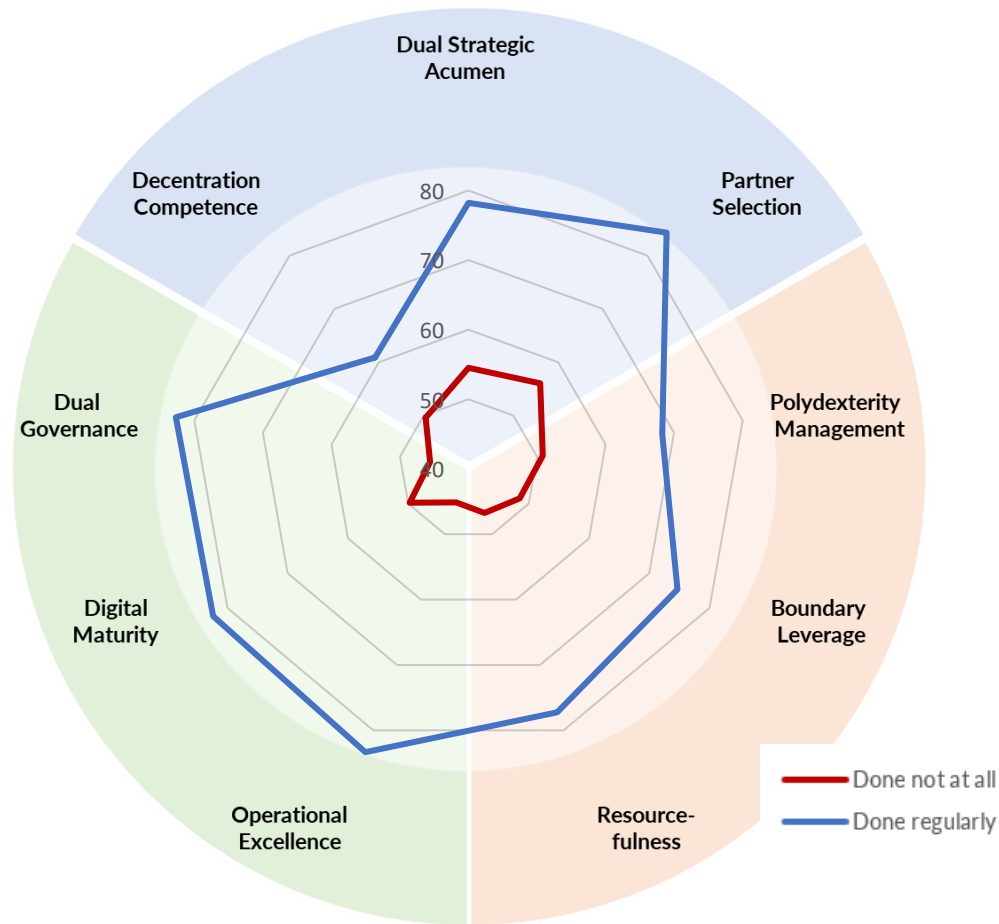


Impact on overall ELX Index: **27 points**

- Total Sample 58
- Done regularly 72
- Done not at all 45

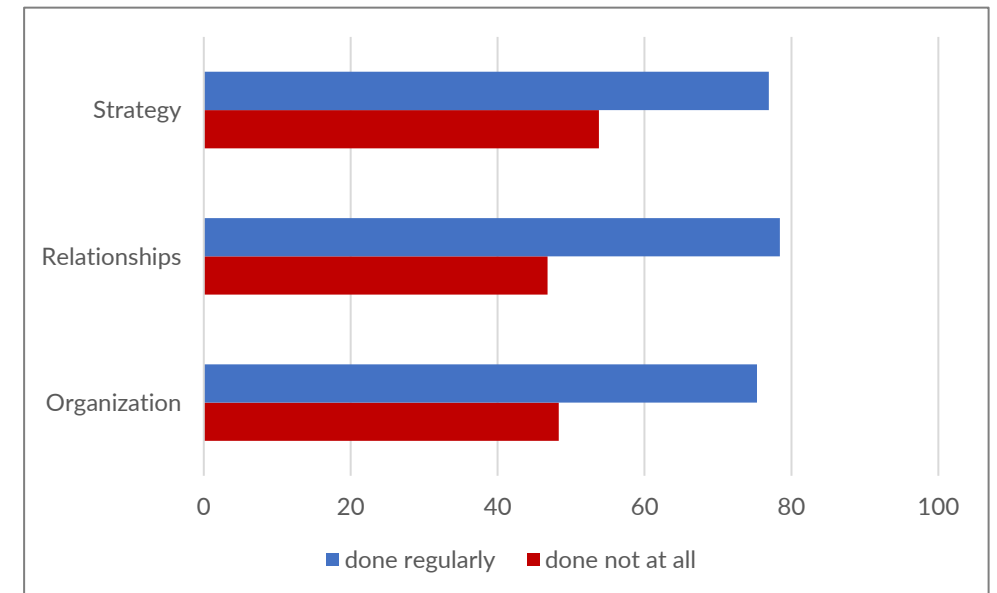


# Organize Learning Expeditions with Focus on Ecosystem Investigation



Impact on overall ELX Index: **27 points**

- Total Sample 58
- Done regularly 77
- Done not at all 50

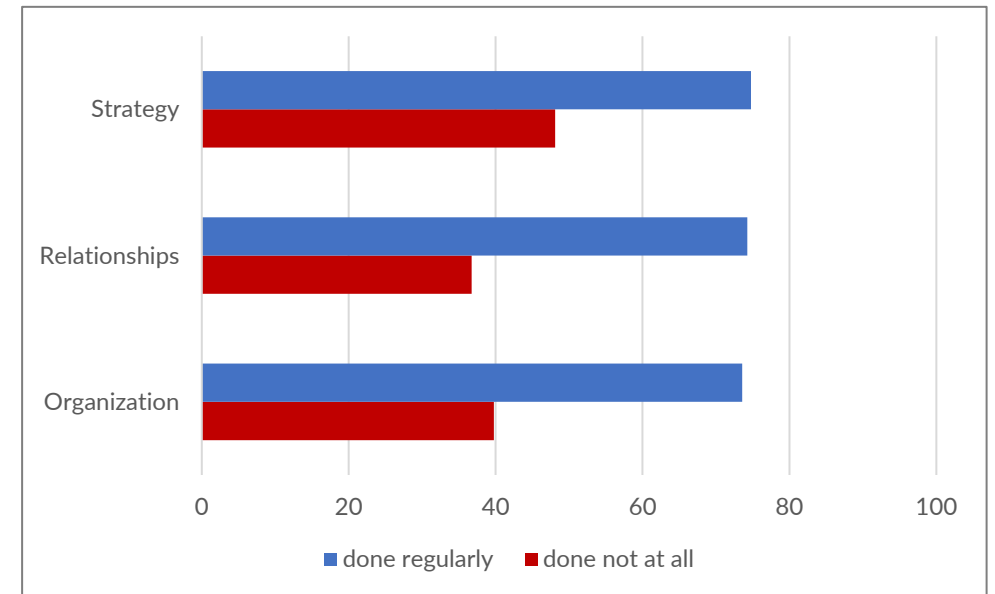


# Reflect on Your Ecosystem Engagement Experience



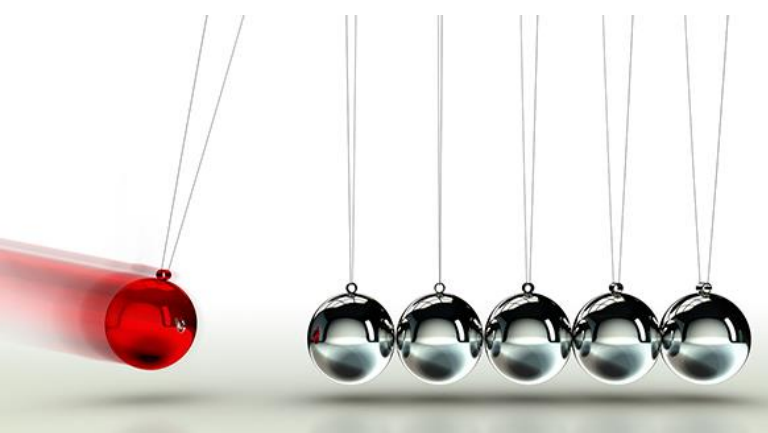
Impact on overall ELX Index: **32 points**

- Total Sample 58
- Done regularly 74
- Done not at all 42





# A Regular Engagement in Ecosystem-Centered Activities Clearly Pays Off



## Impact of Ecosystem-Enabling Activities on the ELX Score





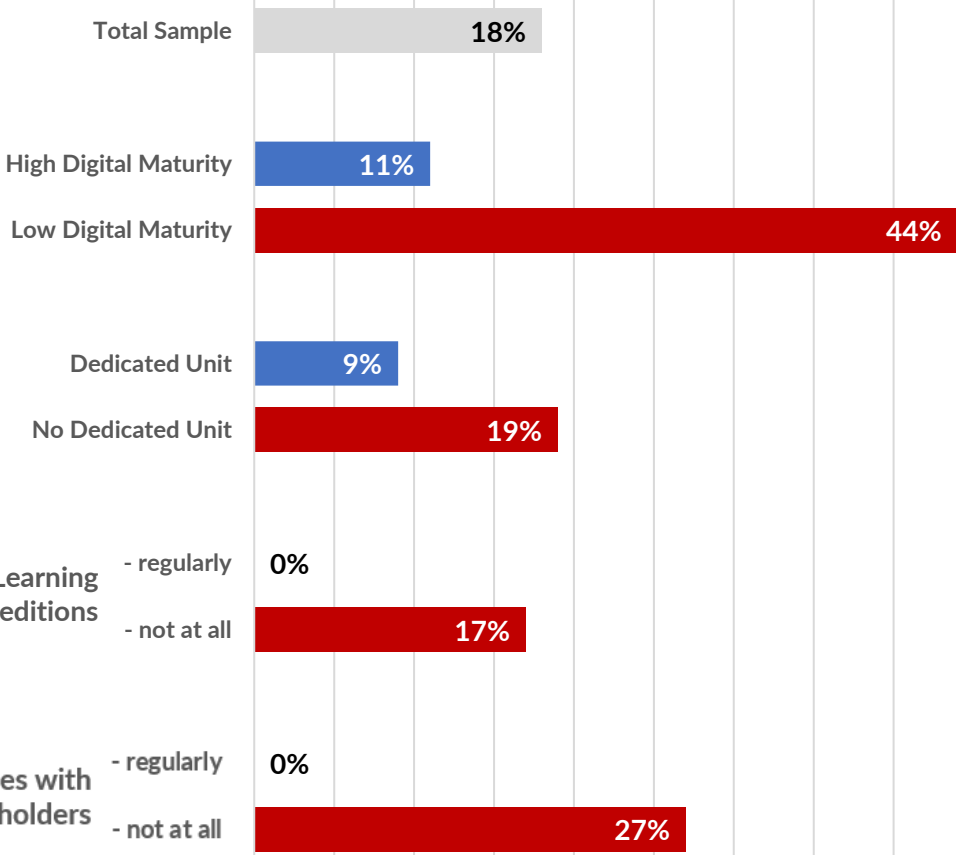
# Spotlights on ELX Dimensions

## One Selected Item per Capability

# Spotlight on Decentration Competence



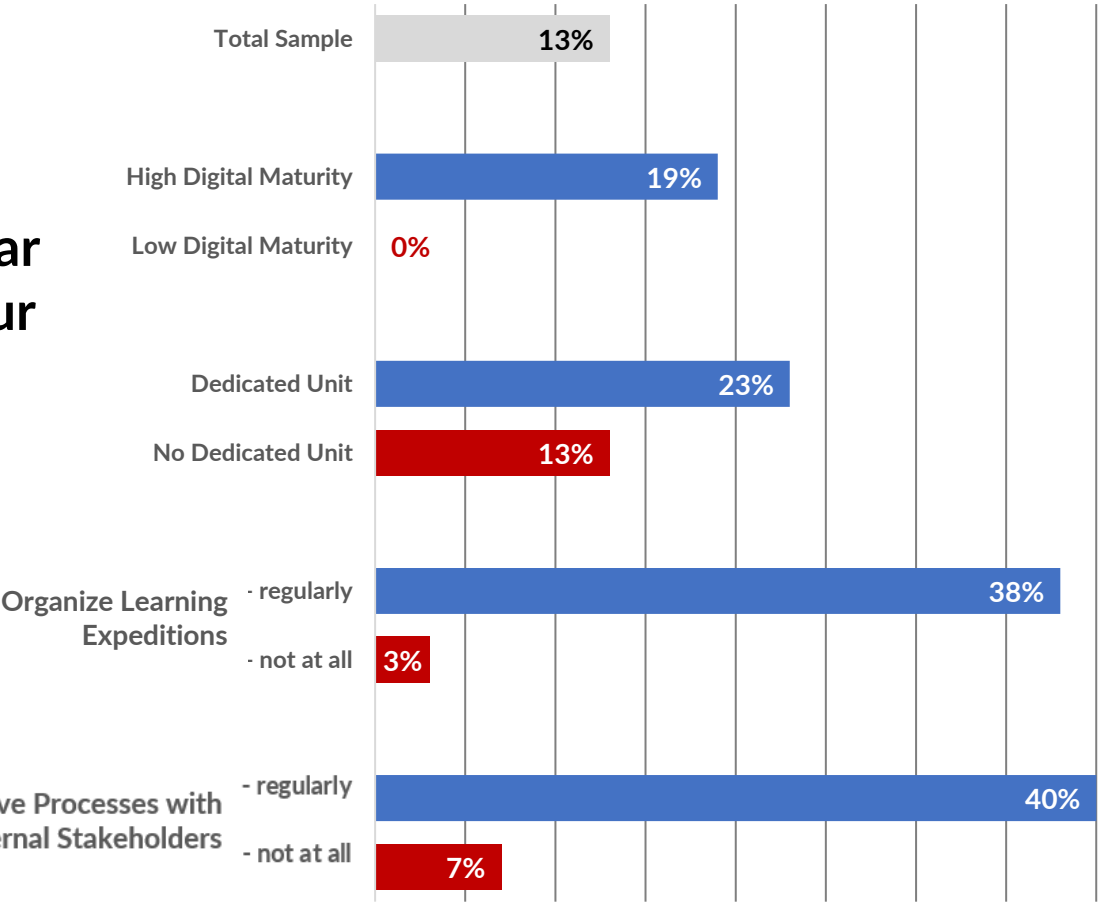
**Our organization suffers from too much inward orientation**  
(fully agree)



# Spotlight on Dual Strategic Acumen



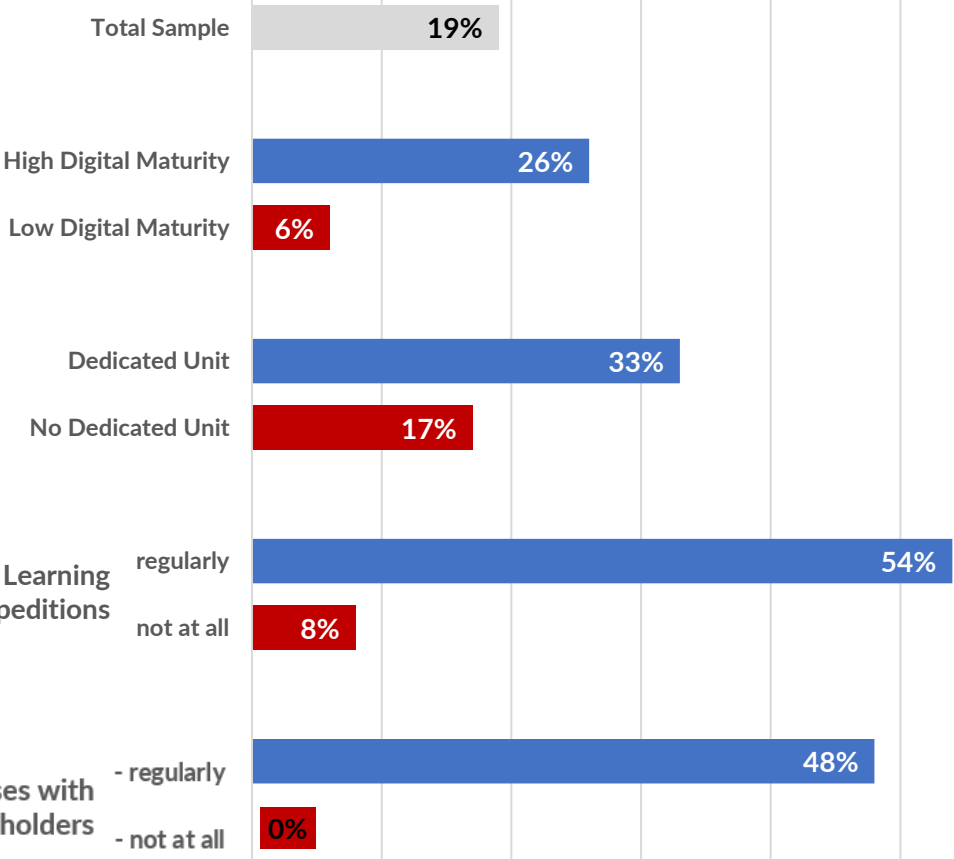
The strategic purpose of our ecosystem engagement is clear to everybody in our organization (fully agree)



# Spotlight on Partner Selection



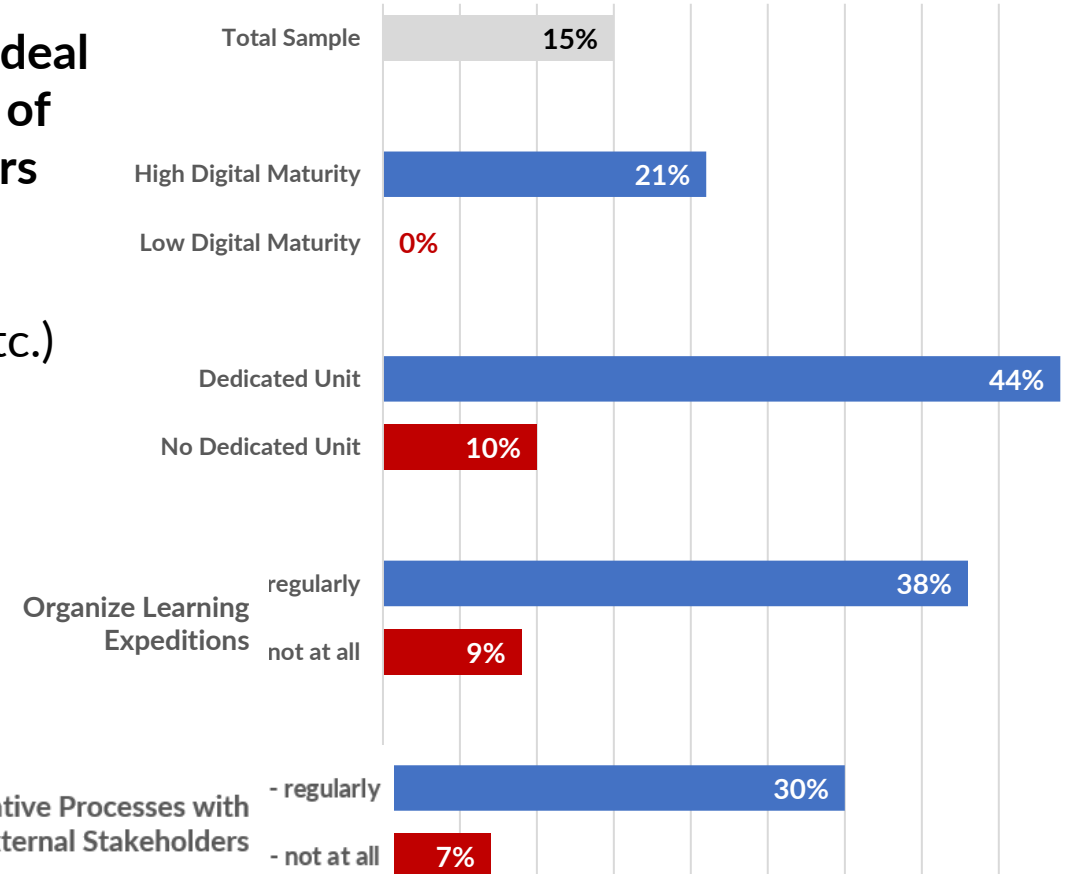
**When thinking about which partners to choose, we consider how they will impact the overall relationship dynamics between all stakeholders of the system (fully agree)**



# Spotlight on Polydexterity Management



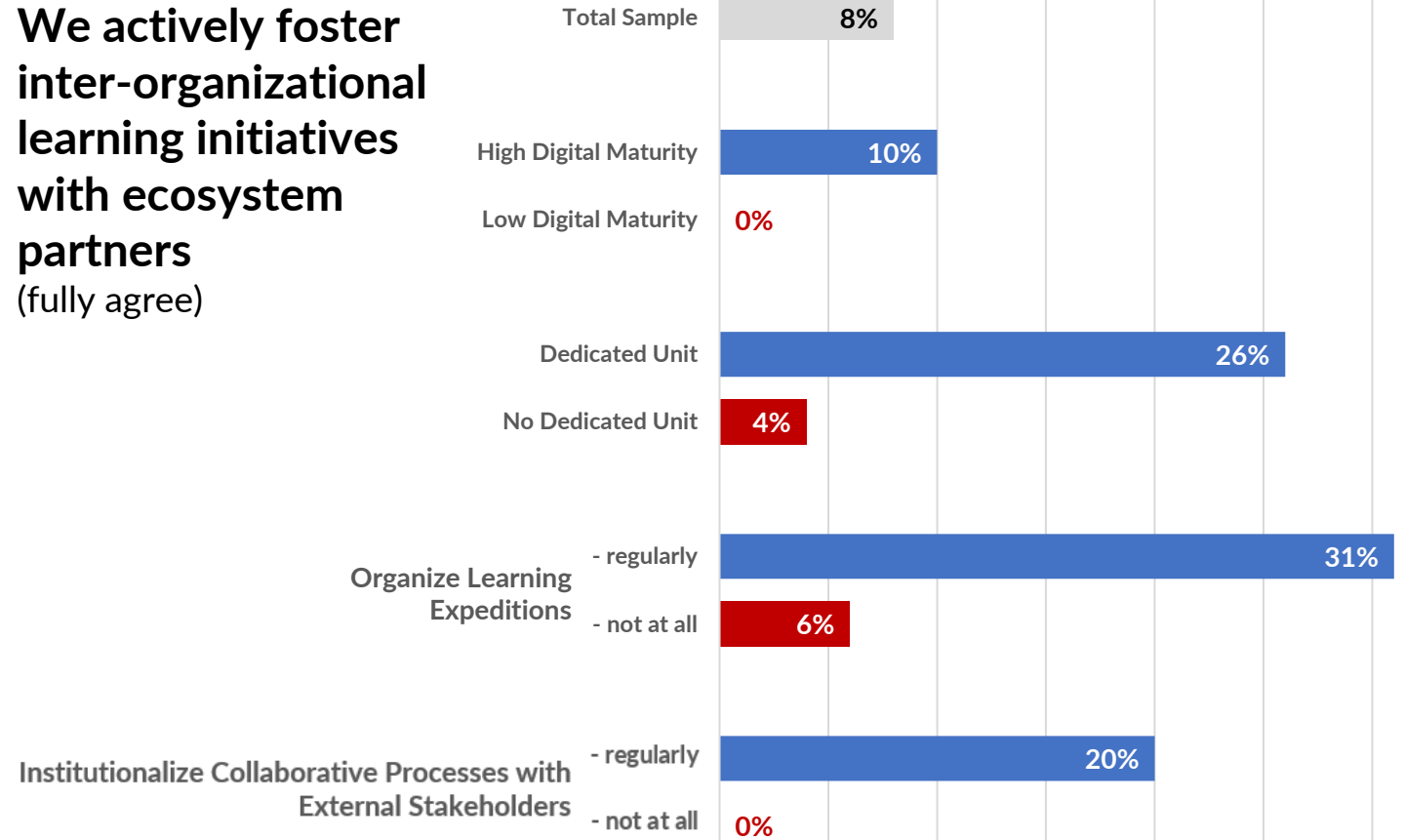
**We know how to deal with the diversity of ecosystem partners** (in terms of size, maturity, agility, business model, etc.) (fully agree)



# Spotlight on Boundary Leverage



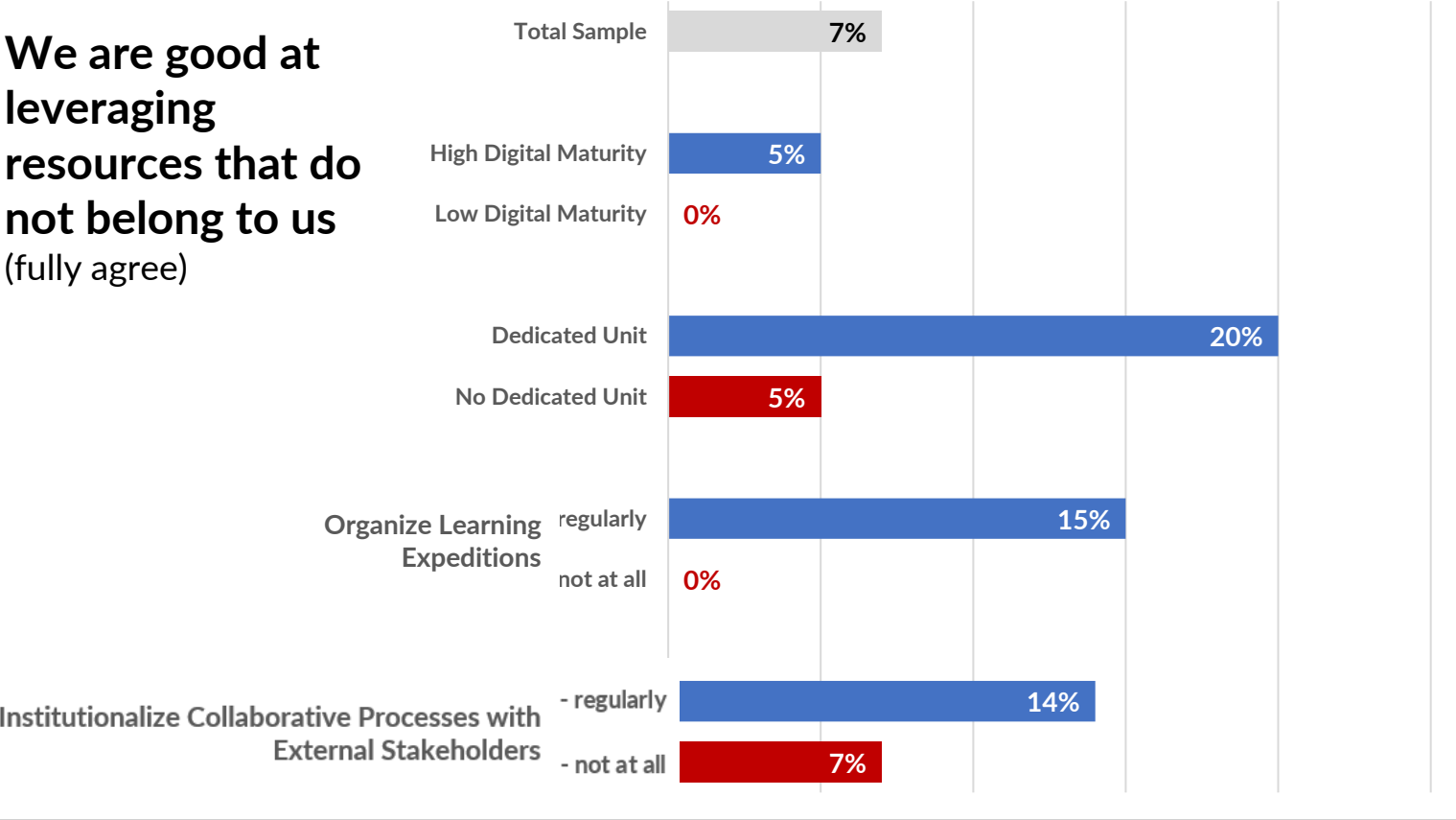
**We actively foster inter-organizational learning initiatives with ecosystem partners (fully agree)**



# Spotlight on Resourcefulness



**We are good at leveraging resources that do not belong to us (fully agree)**

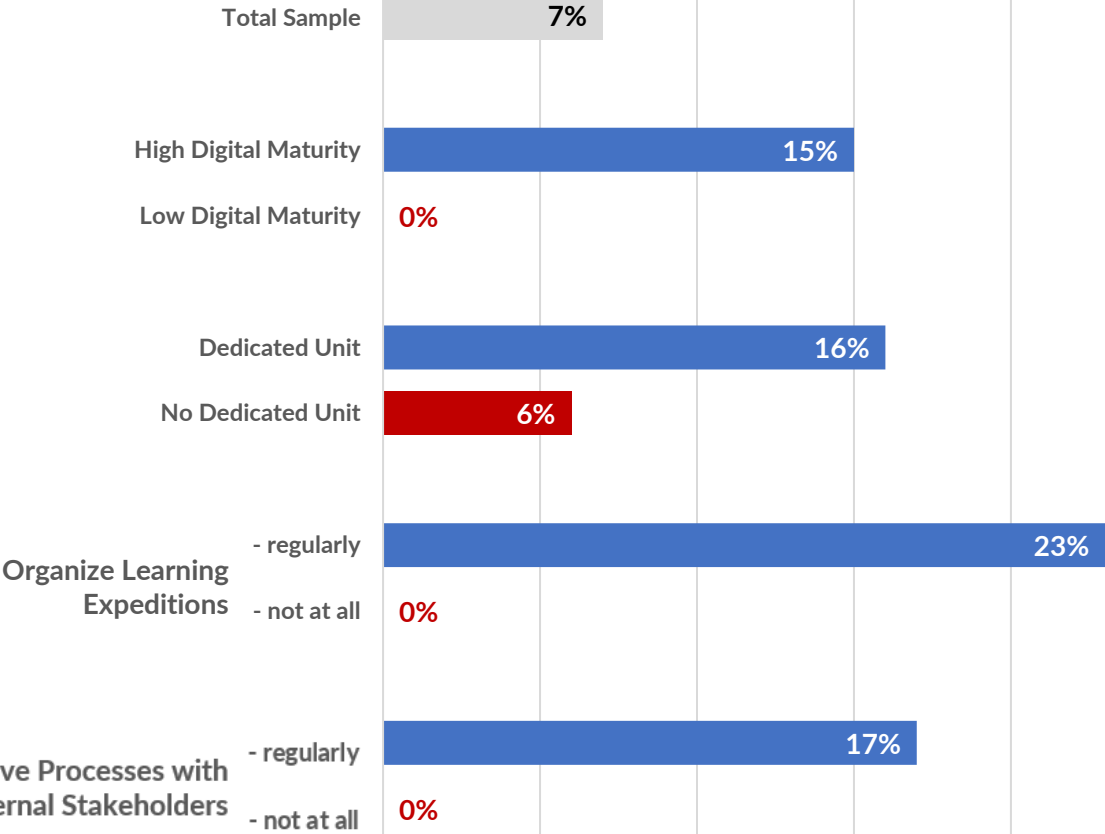




# Spotlight on Operational Effectiveness



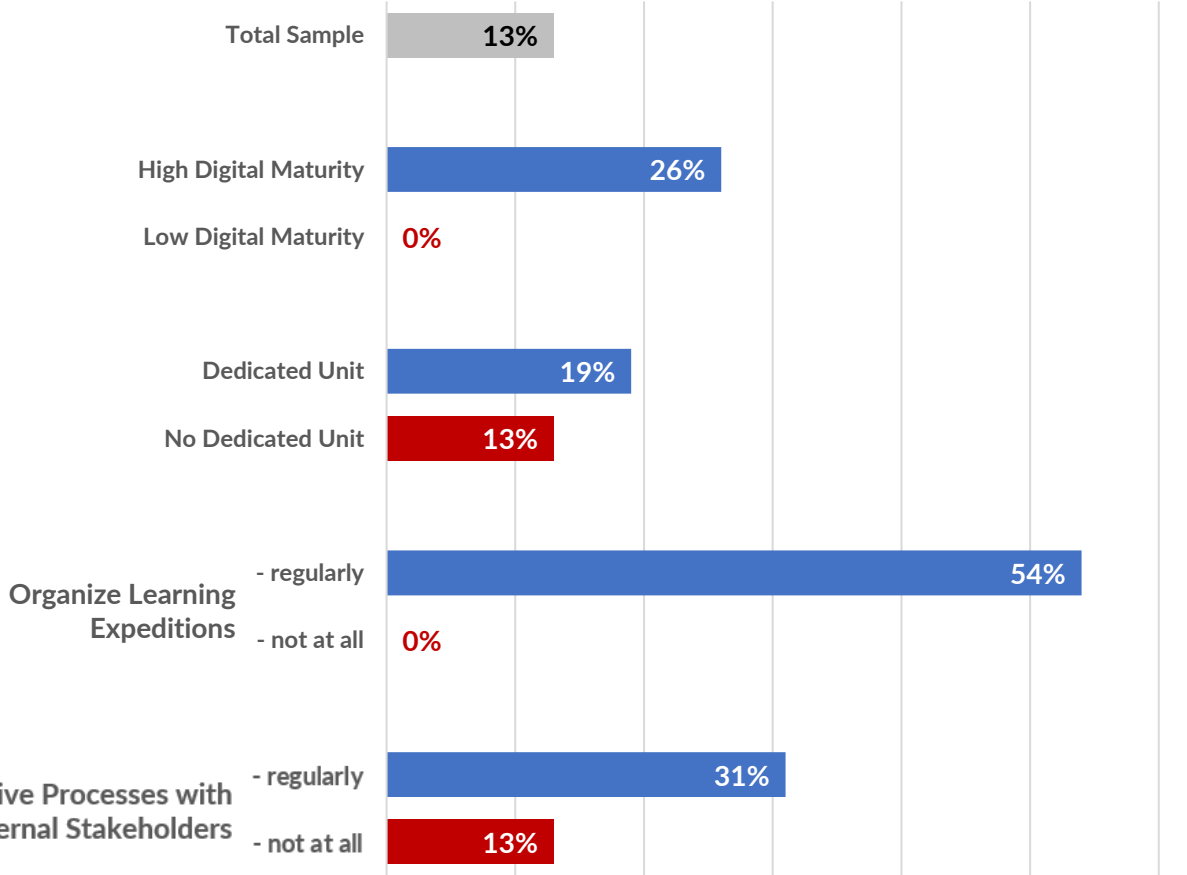
**Our internal processes are aligned with external collaboration requirements (fully agree)**



# Spotlight on Digital Maturity



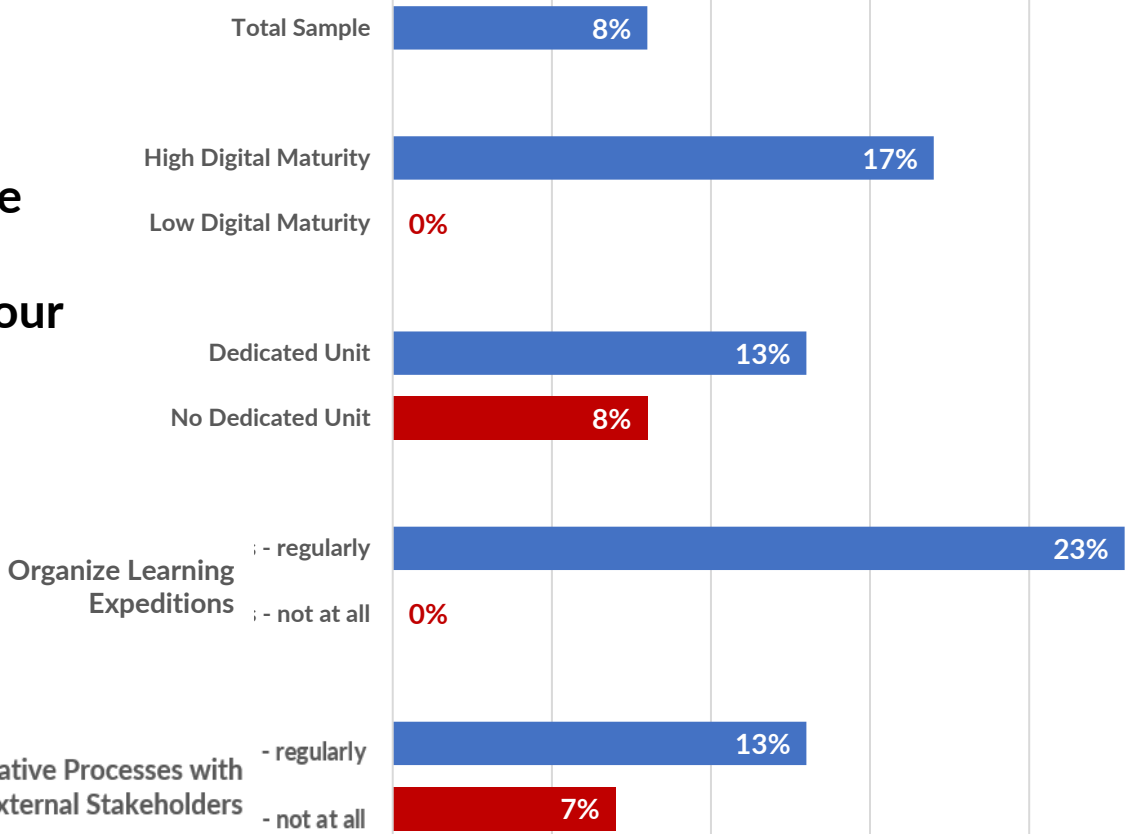
**Our IT systems allow effective ecosystem collaboration (fully agree)**



# Spotlight on Dual Governance



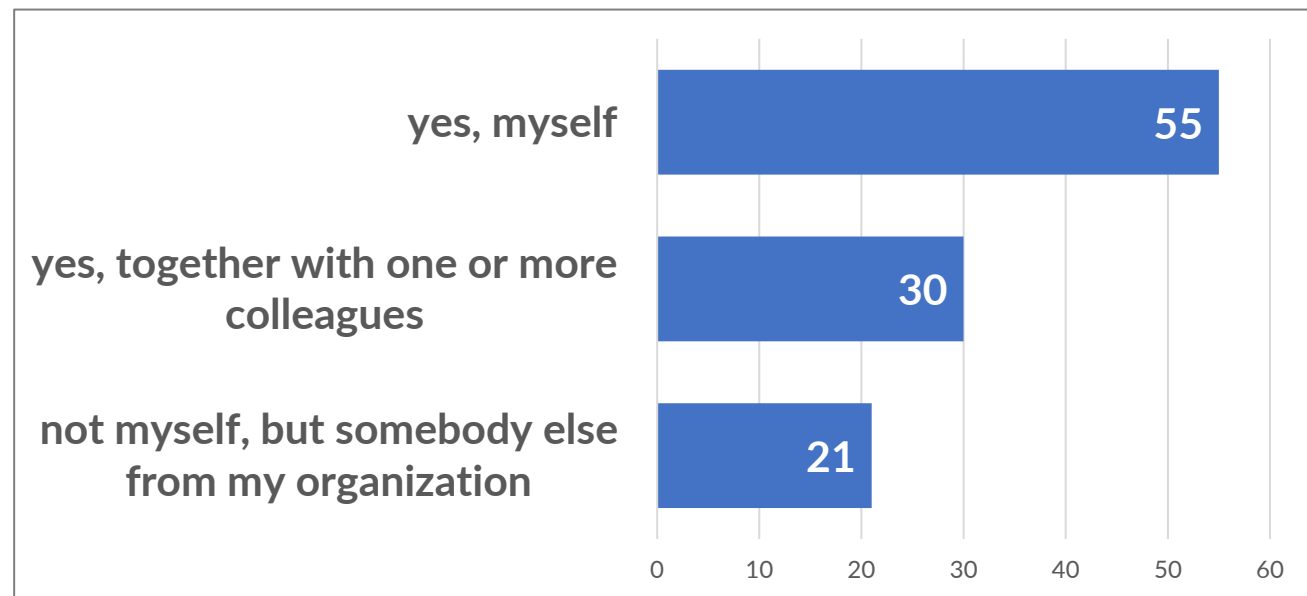
**Our internal structures and processes are aligned with the requirements resulting from our ecosystem engagement (fully agree)**



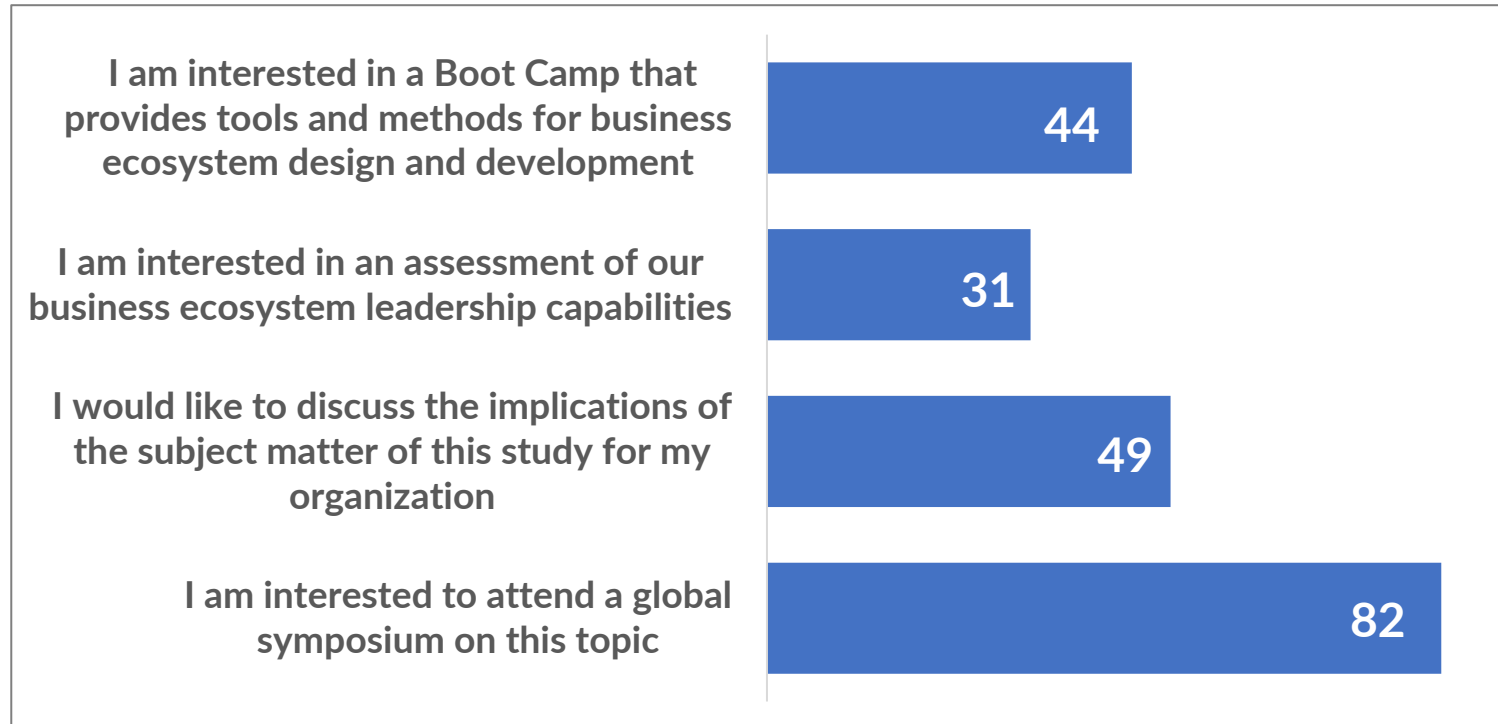
# What's Next

# More than 100 of the 167 Companies we Surveyed Expressed Interest in Joining a Cross-Industry Consortium

“Are you interested in joining a cross-industry consortium that focuses on continuous research and executive dialogues about how to better shape and leverage your business ecosystem network?”



# There is Also Significant Interest in Specific Activities Related to Our Research



We will follow up with each of you individually to gain a better understanding of your context

# The Idea - A Partnership Designed for Impact

A collaborative platform which connects executives and thought leaders through conversations and consortium initiatives to jointly address the ecosystem leadership challenges leaders and organizations face.



# Activities Consortium Members May Want to Engage in

The consortium offers the opportunity to address key issues via various formats, **accelerating the development of organizational capabilities.**

## Formats

- Consortium (Action) Research
- Special Interest Groups
- Topical Round Tables
- Peer Exchange
- Executive Labs
- Conferences and Symposia
- Case Study/Benchmark Library

## ELX Relevant Topics (examples)

- Governance
- Digital Transformation
- Agility
- Sustainability
- Cross-Boundary Collaboration
- Growth and Innovation
- ... (driven by Partner Interests)



# Consortium Principles



- Curation is key – invitation only
- Cross-functional composition
- Focus on trust and peer relationships
- Driven by member interests

# Please Contact Us to Learn More and Discuss Your Potential Involvement



**Roland Deiser**     **Andrej Drinovsky**  
Chairman                      Consortium Initiatives

Center for the Future of Organization  
Drucker School of Management  
Claremont Graduate University

[roland.deiser@futureorg.org](mailto:roland.deiser@futureorg.org)  
[andrej.drinovsky@futureorg.org](mailto:andrej.drinovsky@futureorg.org)



# Backup

# Index Methodology



- **Standardized online questionnaire** (individual projects may add custom questions)
- Each dimension of the framework gets measured through **6 questions on a rating scale** – aggregated average yields Index for the specific dimension
- Results in a total of **54 questions** + general statistical information → **about 15 minutes to complete**
- Data allow for detailed analysis along **multiple demographic dimensions** (industry, geography, seniority, function, etc.)
- Allows for in-depth analysis **targeted to an organization's specific context** (custom projects only)

# The Strategy Dimension



## Decentration Competence

- Perceive yourself not as center of the universe but as part of an overarching system
- Understand the interdependencies and dynamics between the system's stakeholders

## Dual Strategic Acumen

- Have a clear understanding of your own AND the ecosystem's business rationale and purpose
- Combine your own strategy with strategic requirements of the ecosystem

## Partner Selection

- Understand the necessary building blocks to realize the ecosystem business idea and identify appropriate partners
- Assess the collaboration capabilities of partners and the political gravitas of delegates

# The Relationship Dimension



## Polydexterity Management

- Manage the multiple relationships/deal types that constitute an ecosystem
- Appreciate the diverse portfolio of operating models from various ecosystem partners

## Boundary Leverage

- Design cross-organizational processes as joint learning opportunity
- Leverage productive friction resulting from the diversity of stakeholders

## Resourcefulness

- Identify and leverage resources beyond the boundary of one's organization
- Have privileged access to key decision makers and top talent within the ecosystem

# The Organizational Dimension



## Operational Excellence

- Co-shape the ecosystem architecture that optimizes its operational performance
- Align internal organization with external collaboration requirements

## Digital Maturity

- Assure a technological infrastructure that allows/enhances effective ecosystem collaboration
- Foster digital literacy across all functions and levels of the organization

## Dual Governance

- Align internal governance with external governance requirements
- Exert influence in ecosystem without formal power (diplomacy, “soft power”)