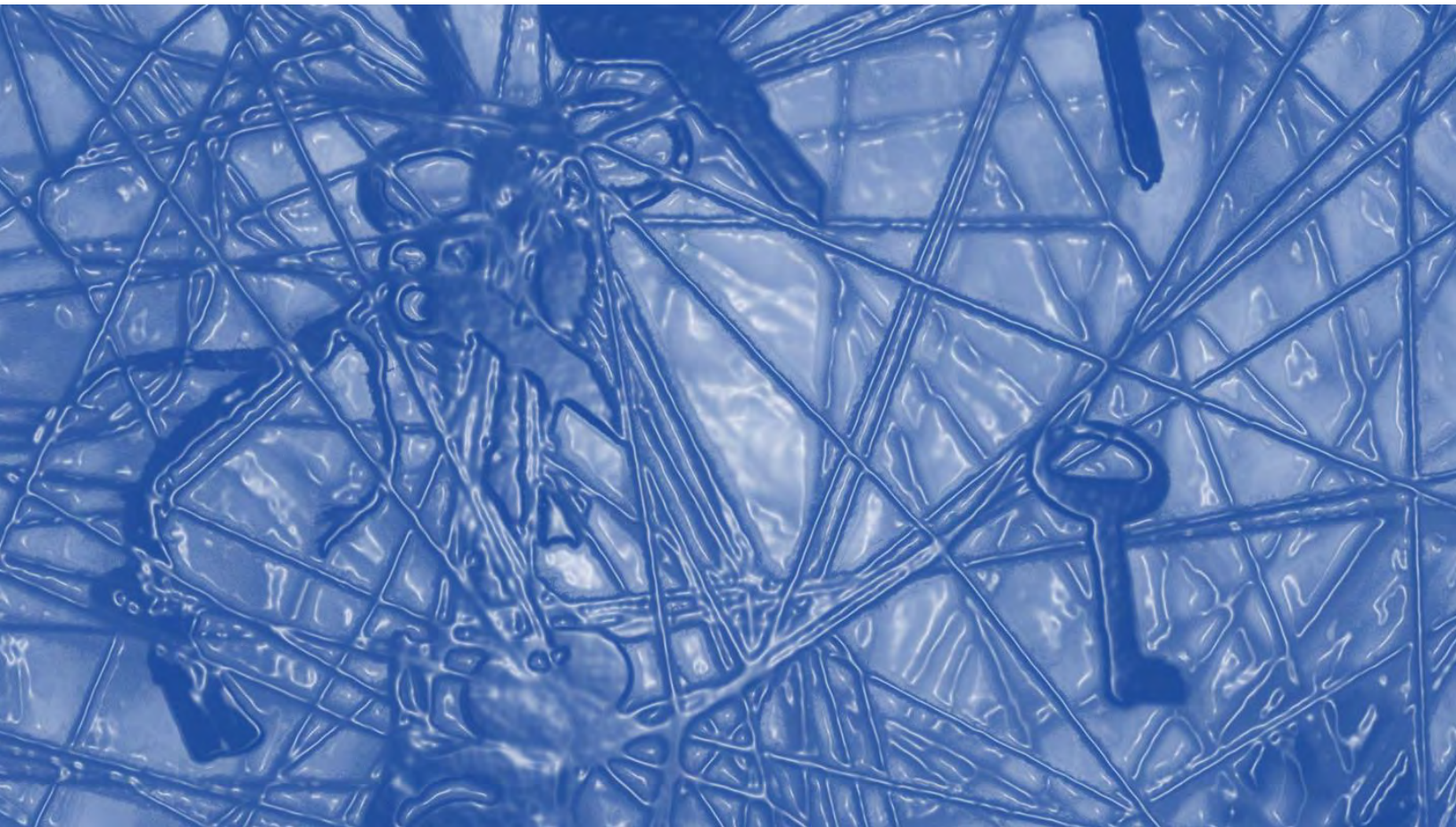


# How to Succeed in Business Ecosystems

A Capability Framework for Business Ecosystem Leadership



by Roland Deiser



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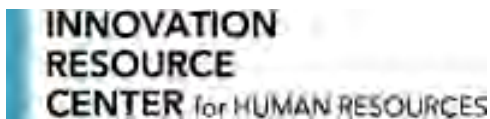
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Roland Deiser

# How to Succeed in Business Ecosystems

## A Capability Framework for Business Ecosystem Leadership

### Introduction

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Our recent research about *Organizing for Business Ecosystem Leadership*<sup>1</sup> generated significant interest among senior business executives. The respondents from our global survey as well as the business leaders who participated in the subsequent mini-think tank that we hosted, emphasized the importance of the topic for their organizations and confirmed their interest in future research in this domain.

This high level of interest in business ecosystems is not a surprise. As digital technologies disaggregate existing industries and value chains, companies are faced with transformation challenges and growth opportunities that requires them to 'jump' across conventional boundaries that used to define their 'space'. They are forced to form novel alliances and partnerships to complete a value proposition, design a compelling business model, or gain access to a new market.

The challenges of engaging in this new universe are substantial and can be daunting for organizations. Despite the current hype around the topic, we still have a limited understanding of the inter-organizational dynamics between the participants of an ecosystem and the capabilities required to successfully leverage its potential. The framework we present in this paper is an effort to close this gap.

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<sup>1</sup> DEISER, R: *Organizing for Business Ecosystem Leadership*. Insights from Expert Conversations and a Global Survey. Research Paper by the Center for the Future of Organization, CFFO Press, 2020

<sup>2</sup> Roughly 80% of respondents indicated an interest in a dedicated dialogue platform about the topic, and more than a quarter wanted an assessment of their own business ecosystem leadership capability.

We define successful business ecosystem leadership as an organization's ability to design its strategy, operations, and relationships in a way that has a constructive impact on the strategy, structure, and dynamics of an ecosystem. Building on this definition, we have been looking at this complex challenge through three interrelated angles.

1. Ecosystem engagement requires *two levels of strategic thinking*: the ecosystem strategy of an organization, and the strategy of the ecosystem itself. The latter runs contrary to the traditional aim of maximizing a company's success at the expense of others. Mindsets that are anchored in zero-sum thinking and that pursue egocentric advantage are incompatible with the win-win attitude that is indispensable for successful ecosystem engagement. The strategic rationale of the ecosystem becomes as important as the strategies of the individual players. Ecosystem leaders excel in marrying these two strategic thrusts.
2. Successful ecosystem engagement also requires a *different level of organizational design sophistication* that recognizes and addresses the interplay between the larger system dynamics and the structures, systems, processes, and culture of the individual organization. Command-and-control-based operating principles that may work well within the boundaries of a company become dysfunctional in the context of an ecosystem that requires a collaborative approach to governance, limiting the power of individual players. Cumber-some, bureaucratic decision processes are poison for collaboration and co-creation, which thrive on flexibility, agility, and speed. In a nutshell, *the diseases of the 20th century organization are antithetic to the requirements of ecosystem formation and leadership*.
3. Finally, to succeed in business ecosystems, organizations must excel in a highly *complex level of relationship management*. Ecosystem engagement comes with significant investments in a diverse portfolio of relationships. Each relationship comes with its own dynamic and requires a distinctive treatment of shared boundaries. An important element of productive boundary management is striking the optimal balance between openness and safeguarding. This poses a major challenge for many organizations as inward orientation and silo culture make it hard to reach across the aisle and create the trust and compassion that is so critical in the more informal, underregulated context of an ecosystem.



The good news is that the inevitable business dynamics of digital transformation will force more and more organizations to rethink their fundamental strategic orientation, their modus operandi, and their rules of engagement with the outside world. In this sense, ecosystem participation becomes a unique strategic and organizational learning opportunity, a transformational force that reverberates back and challenges the very essence of a company's identity.

On the following pages we will briefly define and discuss nine critical capabilities organizations need to actively shape business ecosystems and leverage their potential. Structured along the three dimensions of ecosystem strategy, organization, and relationships, they form a powerful combination of elements that enable business ecosystem leadership, providing a guideline for companies who want to thrive in the new ball game.

### The Nine Capability Domains of Business Ecosystem Leadership



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## Strategic Dimension

# Decentration Competence



The success of an ecosystem cannot be assessed from the perspective of a single player alone. Ecosystem leadership transcends the self-interest of an organization and takes a superordinate view of the metasystem's strategy, operations, and performance. It requires *decentration competence*, which we define as the ability to step out of an ego-centered frame of reference in order to see the world as a complex network of interrelations<sup>3</sup>. Through the act of enlarging one's perspective towards a systems' view, the roles within the stakeholder universe become more understandable, and aspects of one's own role become openly negotiable.

Decentration competence is a complex capability that touches social, political, and ethical dimensions. It first and foremost requires a strong organizational identity, based on a clear strategic orientation, an unbiased awareness of one's own capabilities, and an understanding of the culture that drives organizational behavior ('know yourself'). Beyond that, and to sense and understand the driving forces of other stakeholders, companies must be equally able to assess the strategy, capabilities, and culture of the ecosystem partners ('know the other'). Finally, to appreciate the dynamics of the entire system, it is necessary to understand not only the relationship between oneself and the individual partners but also the interplay between the external stakeholders ('know the system').

<sup>3</sup> DEISER, R: Postconventional Strategic Management - Criteria for the Postmodern Organization. In: THOMAS, H. (Ed.): Building the Strategically Responsive Organization. Wiley & Sons Ltd, London New York 1993



## Strategic Dimension

As such, decentration competence is a Janus-faced affair. Internal and external awareness are two sides of one coin that depend on each other and must be managed coherently. Players with a weak organizational identity will be biased in the assessment of partners and their understanding of the system. Only organizations that are anchored in a clear purpose and that trust their capabilities can credibly define and sustain their position within the ecosystem and resist the natural inclination to retain control. They can control by letting go.

### **DECENTRATION COMPETENCE KEY COMPONENTS**

- Perceive yourself not as the center of the universe but as part of an overarching system
- Have a clear sense of your organizational identity (strategy, capabilities, culture)
- Understand the identity of relevant ecosystem partners (strategy, capabilities, culture)
- Understand the interdependencies and dynamics between the system's stakeholders

## Strategic Dimension

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# Strategic Acumen



Envisioning the ideal parameters of an ecosystem - may it be as initiator or as a joining partner - is both art and science. On one hand, it requires creativity and imagination to transcend the restricted logic of the existing business model in favor of a novel and enlarged value creating system. Successful business ecosystems are based on a compelling value proposition that can only be realized by combining the contributions of each partner in a unique way. This requires a strategic vision and purpose that is shared by all members. Ecosystem leadership entails active participation in continuously co-creating this *common* strategic thrust.

At the same time, a company's engagement in ecosystems must be based on a clear *internal* strategic rationale, built on a thorough understanding of market needs or opportunities that can only be addressed via an interorganizational architecture. In this context, the timing of the launch and/or the participation in an ecosystem is as important as it is for product launches or acquisitions. This relates not only to market conditions, but also to the readiness of the organization to play an influential, productive role. Bad timing may put a company into a weaker position within the ecosystem or jeopardize the success of the system as a whole.

## Strategic Dimension

The two levels of strategy – one on the ecosystem level, the other one on the partner level - are interconnected but follow different rationales. As an organization of organizations, an ecosystem has its own identity and intent, built on a collaborative framework between autonomous partners. To play a constructive leadership role, the individual partners must develop a flexible identity that is not narrowly focused on pursuing exclusively their own strategic purpose and vision. They must be able to integrate their individual strategy with the overarching strategy of the ecosystem.

### **STRATEGIC ACUMEN KEY COMPONENTS**

- Understand and co-shape the ecosystem's business rationale and purpose
- Assess optimal timing and readiness of the organization to engage
- Combine individual strategy with strategic requirements of the overall system
- Define own position as a unique spot that cannot be made redundant

## Strategic Dimension

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# Partner Selection



The value creation of an ecosystem results from combining and orchestrating a relevant stakeholder universe. This effort requires an understanding of the building blocks that are necessary to realize the business idea, and a clear definition of the actual and potential value contribution of each involved player.

An ecosystem is only as strong as its weakest element. Identifying and engaging with the ideal partners is critical for the overall performance of the system. Different partners create different strategic opportunities and come with different challenges. Ecosystem leadership requires a thorough knowledge of the intended partnership universe and the ability to assess the strategic, organizational, and cultural implications of teaming up with potential candidates.

Due to the prominent role of collaboration and co-creation in ecosystems, “soft” factors such as culture, leadership mindset, values, social competence, and the agility/flexibility that is required to work with a diverse portfolio of stakeholders are as important as “hard” factors such as IP ownership, product/service fit and excellence, financial health, market presence, or brand equity.

In ecosystems, a commitment to cross-boundary engagement is key. Interorganizational collaboration works best between entities that combine two traits: they enjoy a high degree of independence so they can flexibly engage with the outside, and they have the political gravitas to influence and

## Strategic Dimension

transform their “home” organization. Therefore, compiling the ideal partners for an ecosystem requires not only traditional marketplace intelligence but also cultural due diligence - down to the level of knowing the individuals and teams with the best collaboration capabilities.

Digital technologies play a critical role in enabling an effective ecosystem architecture – and in spawning new ecosystem-based business ideas. Strong generic relationships with the innovation universe of VCs, start-ups, and incubators universe as well as with the technology majors that dominate key areas such as Cloud Computing, IoT, AI, collaboration technologies, and more are critical for business ecosystem leadership.

### **PARTNER SELECTION KEY COMPONENTS**

- Understand necessary building blocks to realize the ecosystem business idea
- Know the potential partner universe; assess strategic, organizational, and cultural implications
- Assess the collaboration capabilities of partners and the political gravitas of delegates
- Strong generic relationships with relevant innovation ecosystems and digital enablers

## Relationship Dimension

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# Polydexterity Management



Ecosystem participants tend to differ substantially in size, operating models, and the role they play in the value-creation cluster. An ecosystem may include major digital platform players, such as Google or Amazon; large incumbents from the “old economy” that are in different stages of digital maturity; smaller niche players that are highly specialized; university labs and start-ups that hold critical IP; various customer segments; and others. They may each act within different regulatory environments, have different ownership structures, different cultures, different levels of experience with ecosystem engagement, and different attitudes towards collaboration.

Equally different are the relationships among the various players. These may include joint ventures, licensing agreements, technology partnerships, open innovation platforms, temporary project collaboration, and more. Each relationship comes with its own strategic importance and power dynamic that determines the type of deals, which can be standardized or specific, temporary or permanent, tight or loose. This multiplicity of deal types results in a complex contractual architecture.

Coping with this massive diversity requires sophistication in polydexterity management, a capability that builds on and extends the familiar concept of ambidexterity. In a nutshell, it is the organizational ability to engage concurrently with the multiple operating models and deal types of an ecosystem.



## Relationship Dimension

Mastering this challenge requires an appreciation of the idiosyncrasies of each relationship type and a high degree of flexibility to deal with the various rationales that come with each collaboration.

Organizations that tend to fight complexity by creating standard operating procedures and sticking to their familiar metrics will have a hard time dealing with this kind of massive diversity. They are likely to be relegated to a limited set of relationships they feel “comfortable” with and their systems are designed for. They will miss out not only on opportunities that “uncomfortable” partners may offer; they also limit their influence in the overall ecosystem.

### **POLYDEXTERITY MANAGEMENT KEY COMPONENTS**

- Engage with a diverse portfolio of operating models from different ecosystem partners
- Ability to deal with the multiple relationship/deal types that constitute an ecosystem
- Flexibility in contractual agreements, based on a culture of mutual trust
- Flexible adjustment of operating procedures and KPIs

## Relationship Dimension

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# Boundary Leverage



As discussed in one of our recent research papers<sup>4</sup>, effective boundary management is a key success factor for networked organizations. On a very fundamental level, boundaries are the places where differences meet, creating the productive friction that fuels innovation and change. But boundaries are also the places of enmity, territorial conflicts, and fights about value capture. Competent boundary management strikes a delicate balance between protecting the identity and integrity of each participating party and transcending these identities in the interest of the larger system.

Assessing the degree of openness that is appropriate in the various external relationship contexts is one of the most daunting challenges of ecosystem leadership. What IP should be shared, what needs to be protected? Who “owns” the product if it was developed in a co-creation process? Too much openness threatens the identity, security, and/or profitability of the individual players, too little openness inhibits the realization of synergies and the harvesting of the ecosystem’s potential.

There is no silver bullet that solves these inherent conflicts. Instead of avoiding the issue, ecosystem leadership means to embrace the conundrum, recognize its relevance, and design boundary-spanning spaces in a way that creates trust and enables a joint learning process.

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<sup>4</sup> DEISER, R: Digital Transformation Challenges in Large and Complex Organizations. Research Paper by the Center for the Future of Organization, CFFO Press (December 2018).

## Relationship Dimension

Initiating and facilitating a dedicated, continuous inter-organizational learning architecture is an excellent way to exert ecosystem leadership. Such an architecture institutionalizes the necessary dialogue about boundary issues and lubricates cross-boundary collaboration by addressing potential issues within a space that is designed for open-mindedness. As such, it can become a key element of the system's governance structure.

### **BOUNDARY LEVERAGE KEY COMPONENTS**

- Ability to assess and manage the level of openness in various relationship contexts
- Leverage productive friction resulting from the difference created by boundaries
- Design boundary-spanning processes as joint learning opportunity
- Address boundary issues via a shared inter-organizational dialogue architecture

## Relationship Dimension

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# Resourcefulness



Smart resource management optimizes the performance of any system. It requires the organizational capability to identify, engage, allocate, and develop the right talent, share knowledge across boundaries, design and nurture trusted communities, leverage technology for collaboration and data management, etc. Building and sustaining these capabilities remains an ongoing challenge and a critical task for corporate governance as every Chief Operating Officer of a large organization will testify.

In the context of ecosystems, these challenges remain the same, but they are exacerbated by the autonomy of each member who is at liberty to open their boundaries more or less to allow access to its resources. Knowing which resources are available from which partner, where to find them, and developing the relationships and trust to use them for increased system performance is a critical element of ecosystem leadership.

In a well-functioning ecosystem, members provide mutual access to the resources they own - may it be talent, technology, data, business relationship capital, or specialized knowledge and IP. The degree and quality of this access depends on the type of relationships with the various partners (see capability #5), the ecosystem engagement commitment of top management, specific collaboration requirements, individual policies, cultures, trust, and more. Creating a pool of shared resources (e.g., a jointly owned technology platform), explicit data sharing policies, or dedicated ecosystem support roles can be helpful

## Relationship Dimension

elements of an enabling infrastructure. Equally, initiatives such as leadership programs that include ecosystem members or boundary-spanning communities of practice are a great way to jointly work on developing resourcefulness. They provide a shared framework to get to know ecosystem partners, influence their level of excellence, improve collaboration, build trust, and strengthen the array of relationships.

There is a close connection between the degree of resourcefulness and the agility of an organization. Ownership of resources comes with the burden of high fixed costs, which in turn hampers the ability to move fast and pivot if needed. Companies who focus on a strategy of resourcefulness by divesting non-essential assets will automatically embark on an ecosystem strategy as they will actively emphasize partnerships over internal control.

### RESOURCEFULNESS KEY COMPONENTS

- Ability to identify and leverage resources beyond the boundary of one's organization
- Have privileged access to key decision makers and top talent within the ecosystem
- Encourage and participate in a shared resource infrastructure
- Increase level of capital leverage by divesting non-essential assets

## Organizational Dimension

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# Operational Excellence



The creation and continuous management of a strategically aligned socio-technical infrastructure of an organization is one of the most formidable top management tasks. Within the boundaries of a single corporation, decisions about strategy, organizational design, and intended transformation initiatives can be enforced through the legally codified and widely accepted mechanisms of corporate governance.

Not so in ecosystems, where such a “constitution” is missing – at least at the outset. Here, the interdependent nature of relationships requires complex contractual frameworks and a genuine collaborative process among semi-autonomous players. To exert leadership in this context, organizations must work together to design systems and mechanisms for operational excellence that optimize the performance of the meta-organization along an agreed common value proposition. This is a twofold challenge.

*On the ecosystem level* it requires the design and implementation of dedicated meta-organizational roles and responsibilities as well as policies, processes, and mechanisms that connect with the operating systems of each participant. The self-interest of the stakeholders and the murkiness of ecosystem governance make this a highly political task, requiring significant diplomacy skills.



## Organizational Dimension

At the same time, companies can only play a credible and effective leadership role if they optimize their ecosystem participation through elements of their *internal organizational design* that assure excellence in what they contribute to the system – both in terms of value creation and organizational alignment. The latter requires internal roles and responsibilities dedicated to ecosystem leadership that must have a prominent voice in driving the structural and cultural agility needed for engaging in co-creation and cross-boundary collaboration.

### OPERATIONAL EXCELLENCE KEY COMPONENTS

- Co-shape an ecosystem architecture that optimizes its operational performance
- Engage in cross-organizational roles that are needed to enable ecosystem operations
- Have dedicated internal roles for effective ecosystem participation
- Align internal policies and processes with external collaboration requirements

## Organizational Dimension

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# Digital Maturity



Digital technologies lie at the heart of the contemporary business and industry transformation dynamics, and they are the key reason for the rise of business ecosystems. Exponentially accelerating advances in cloud computing, collaboration technologies, blockchain, AI, IoT, data analytics, and more spawn not only new product/service offerings and business models; they also enable ecosystem architectures and are essential for the needs of ecosystem operations as they support open innovation, cross-boundary collaboration, efficient sharing of resources, data exchange, and more.

This dual role of digital technology as a transformational force and a system enabler makes digital maturity an indispensable capability for successful business ecosystem engagement. Technology is the lubricant of ecosystem performance, so a low degree of digital sophistication of one or more participants throws sand into the gearbox and jeopardizes its smooth working. A lack of digital maturity also keeps participants from realizing the full benefits of their ecosystem membership and makes them less attractive partners. On the other hand, contributing digital solutions that foster ecosystem performance is a safe way to become an influential player.

In this context, it is important to distinguish two equally important dimensions of digital maturity. The “hard” dimension relates to the level, functionality, and architecture of technical resources such as infrastructure, networks, software, cybersecurity solutions, and more, which are typically the

## Organizational Dimension

domain of IT departments and specialists. The “soft” dimension relates to the degree of digital literacy and dexterity within the entire organization, i.e., an appreciation of how digital technology works and how it can be leveraged for operational improvements, strategic market intelligence, product and business model innovation, and more - a genuine cross-functional business capability anchored in both skills and mindsets.

### DIGITAL MATURITY KEY COMPONENTS

- Internal technological infrastructure allows effective ecosystem collaboration
- Leaders and employees across all functions have high level of digital literacy
- Organization contributes with digital solutions that enable ecosystem performance
- Culture of curiosity to stay at cutting edge of technology developments

## Organizational Dimension

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### Dual Governance



Ecosystem governance lies at the heart of holding a system of interdependent actors together. Success requires two concurrent and interdependent tasks: (1) adjusting the internal governance within the organization to suit the governance needs of an ecosystem based on its business idea, and (2) co-shaping meta-organizational governance policies and procedures to support the operations of the ecosystem.

The former means creating conditions that facilitate interaction with the ecosystem and assure mutual commitment. Effective inter-organizational collaboration requires agility, speed, and a high degree of decision-making power and accountability. To achieve this, large corporations must foster the creation of internal micro-organizations that are empowered to design their own operating models. This requires an enabling form of internal governance anchored in a strong framework of shared values, strategic agreement, and clear purpose to counter the centrifugal forces created by the diversity and semi-autonomy of the periphery.

The second task of governing the ecosystem involves working among the key participants to create a contractual architecture for effective collaboration. Such a framework needs to cover a wide-ranging set of potentially explosive issues such as how to share jointly created economic value, how to accept new members, how to launch new projects, how to change rules as the system develops, and more.

## Organizational Dimension

The lack of a formal leadership structure where no one has any formal legal authority over others requires excellence in horizontal negotiating and influencing via “soft power.”

Contrary to formal organizations, ecosystems cannot draw on a pre-existing constitutional framework to guide the parties. Effective ecosystem leadership means to promote the development of interorganizational bodies and the creation of ecosystem bylaws. It also means to take on an active role by appointing dedicated delegates to jointly work on system-wide agreements and to mitigate conflicts as they emerge.

### DUAL GOVERNANCE KEY COMPONENTS

- Align internal governance with external governance requirements
- Ability to exert influence without formal power (diplomacy, “soft power”)
- Co-shape institutional framework for ecosystem decision rules
- Participate in ecosystem governance bodies

# Conclusion

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In light of the increasing importance of ecosystem-based business models, business ecosystem leadership capabilities are not only becoming a major source of competitive advantage; they will also become indispensable for the long-term survival of organizations.

In essence, business ecosystem leadership requires *the institutionalized ability to reflect and co-shape a context that creates the conditions for a win-win oriented collaboration*. This is not possible without an unbiased assessment of the company's strategic identity in relationship to the overarching system. A closer look at the capability requirements also makes clear that ecosystem leadership has a dual meaning: (1) shaping the organization towards the agility required for horizontal collaboration with diverse stakeholders, and (2) co-shaping the superordinate system.

Developing and sustaining these capabilities is an ongoing challenge that requires utmost top management attention. It requires the well-known traits of transformational leadership and organization: strategic, structural, and cultural acumen; the institutionalization of a change architecture that is designed to address critical issues; and change leaders who commit to engage and take the charge to move an organization towards a mature and competent ecosystem player.

The role of the guardian and driver of this process, which enables the framework's nine dimensions, must be emphatically cross-functional in nature. The job description builds on the complex task profile of an ecosystem-oriented Chief Digital Officer that we have outlined in a previous research paper . It is a solid mix of mindsets and skills, which integrates strategy, organizational development and design, IT, HR, customer centricity, and, most importantly, the political acumen needed for driving change.

The overview chart on the next page summarizes the framework with which we hope to provide a useful instrument that helps leaders to better understand the complex capabilities required to succeed in ecosystems. It is designed as a practical tool: by identifying strengths and weaknesses in each of the nine domains, leaders should have a compass that may help guide initiatives to transform their strategy and their operating model towards becoming a more competent and influential member of ecosystems they already engage in, or they want to create or join.



## Nine Essential Capabilities for Business Ecosystem Leadership

ECOSYSTEM STRATEGY	Decentration Competence	<ul style="list-style-type: none"> <li>■ Perceive yourself not as center of the universe but as part of an overarching system</li> <li>■ Have a clear sense of your organizational identity (strategy, capabilities, culture)</li> <li>■ Understand the identity of relevant ecosystem partners (strategy, capability, culture)</li> <li>■ Understand the interdependencies and dynamics between the system's stakeholders</li> </ul>
	Strategic Acumen	<ul style="list-style-type: none"> <li>■ Understand your own and the ecosystem's business rationale and purpose</li> <li>■ Assess optimal timing and the organization's readiness to engage</li> <li>■ Combine individual strategy with strategic requirements of the overall system</li> <li>■ Define own position as a unique spot that cannot be made redundant</li> </ul>
	Partner Selection	<ul style="list-style-type: none"> <li>■ Understand the necessary building blocks to realize the ecosystem business idea</li> <li>■ Know potential partner universe; assess strategic/organizational/cultural implications</li> <li>■ Assess collaboration capabilities of partners and the political gravitas of delegates</li> <li>■ Strong generic relationships with relevant innovation ecosystems and digital enablers</li> </ul>
ECOSYSTEM RELATIONSHIPS	Polydexterity Management	<ul style="list-style-type: none"> <li>■ Engage with a diverse portfolio of operating models from various ecosystem partners</li> <li>■ Ability to deal with the multiple relationship/deal types that constitute an ecosystem</li> <li>■ Flexibility in contractual agreements, based on a culture of mutual trust</li> <li>■ Flexible adjustment of operating procedures and KPIs</li> </ul>
	Boundary Leverage	<ul style="list-style-type: none"> <li>■ Ability to assess and manage the level of openness in various relationship contexts</li> <li>■ Leverage productive friction resulting from the difference created by boundaries</li> <li>■ Design boundary-spanning processes as joint learning opportunity</li> <li>■ Address boundary issues via a shared inter-organizational dialogue architecture</li> </ul>
	Resourcefulness	<ul style="list-style-type: none"> <li>■ Ability to identify and leverage resources beyond the boundary of one's organization</li> <li>■ Have privileged access to key decision makers and top talent within the ecosystem</li> <li>■ Encourage and participate in a shared resource infrastructure</li> <li>■ Increase level of capital leverage by divesting non-essential assets</li> </ul>
ECOSYSTEM ORGANIZATION	Operational Excellence	<ul style="list-style-type: none"> <li>■ Co-shape an ecosystem architecture that optimizes its operational performance</li> <li>■ Engage in cross-organizational roles that are needed to enable ecosystem operations</li> <li>■ Have dedicated internal roles for effective ecosystem participation</li> <li>■ Align internal policies and processes with external collaboration requirements</li> </ul>
	Digital Maturity	<ul style="list-style-type: none"> <li>■ Internal technological infrastructure allows effective ecosystem collaboration</li> <li>■ Leaders and employees across all functions have high level of digital literacy</li> <li>■ Organization contributes with digital solutions that enable ecosystem performance</li> <li>■ Culture of curiosity to stay at cutting-edge of technology developments</li> </ul>
	Dual Governance	<ul style="list-style-type: none"> <li>■ Align internal governance with external governance requirements</li> <li>■ Ability to exert influence without formal power (diplomacy, "soft power")</li> <li>■ Co-shape institutional framework for ecosystem decision rules</li> <li>■ Participate in ecosystem governance bodies</li> </ul>

# Thank You

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## About the Center for the Future of Organization



The Center for the Future of Organization (CFFO) is an independent think tank at the Drucker School of Management at Claremont Graduate University. Its mission is to serve as a global hub for applied research and practical discourse on new paradigms of Leadership and Organization with particular regards to the role of digital technologies as drivers of competitive advantage. In the tradition of Peter Drucker, the Center works across disciplines, combining conceptual depth with practical applicability and ethical responsibility.

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## About the Innovation Resource Center for Human Resources



The Innovation Resource Center for Human Resources (IRC4HR) was founded in 1926 as IRC, a non-profit private foundation established to promote positive employment relationships and advances in human resources management through consulting, research, and education. More than ninety years later, the organization continues to bring together employers, academics, and other stakeholder communities to fund action research and share insights on a wide range of topics. This includes a current focus on the implications of technology and digital disruption on the future of work, organizations, leadership, and the workforce.

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