

# RISE OF THE ECOSYSTEMS

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## Spin your web to connect, collaborate and co-create

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**EH You've got a very interesting career,... you started out with KLM Royal Dutch Airlines, while at the same time having a very keen interest in academia that eventually led to consulting and directorships at some fairly significant companies, including Abbott Healthcare, ABN Amro and KLM. So, what drives and motivates you in terms of your purpose and what's been the common thread throughout your career so far?**

AR: Yeah, well I do have a purpose and I think there is a common thread. What I always want to do is to look further into the future and to see how you can mobilize a positive strength in society – positive forces in society to come forward. To look forward to that what is new and up and coming. And for that, of course, in a globalized economy, an airline is a very interesting company because it brings you everywhere in the world. And banking is very

important because it is necessary to finance things and to work in a socially responsible way with the money of the banks. I think we learned that lesson, particularly in the crisis of 2008 to 2010. And Abbot, I liked so much because of the positive contribution to healthcare and a healthy society.

And indeed, I worked as an advisor and board member in many companies in very different industries, which also gave me enormous insights into changing society in a positive way, but also knowing what the hurdles are to change. And, in academia I'm a professor in strategy and transformation management. So, if I would not have had these deep insights in companies and strategy formation, I would not have been able to lecture to my MBA students and executives on insights into the board dynamics that may lead to challenging strategies or to stand-stills.

**EH: That's quite important.... to have a finger on the pulse – so to speak – of business and what's going on in the marketplace. I've often said to people, we're experiencing a new renaissance in many ways in business, and in society more generally. It's an age of accelerating change and greater complexity....**

AR: Yes, but that's also been going on already for quite some time. When I did my PhD in the mid '80s, I was working on the new techno-economic paradigm that would be the foundation for, let's say, the new age to come. That involved working on what is the implication of the combination of new technologies like microelectronics, IP, telecom, biotechnology, nanotechnology, new materials. We all could see that already, and we did many studies on this.

The strange thing I would say is that, until the mid '90s, you had a kind of euphoria or excitement over the kind of changes this could bring about. Then later, when the translation to business opportunities comes into play, the connection between all these new technologies and the changes envisaged disappeared for sake of shareholder value and short-termism.

I think what is interesting about the period we're in today is that there is quite some criticism of the short-termism and shareholder value approach. We really have made a switch, I think, in the mindset. Also, what many new generation CEOs and stakeholders value is having a purposeful contribution to society and to think further than what a company can do, but what a company can contribute, in ecosystems, in networks and to the society in a broader framework.

I think that is so extremely exciting and indeed, it is very complex, as many things come together, but that is exactly the setting in which we can commit further than with all the technology and opportunities, by also giving answers to the challenges in the world than what we could do in the late '90s.

**EH: Yes, I agree. I think it's the increased connectivity that's really spurred on a lot of this and we've almost come full circle in that a lot of businessmen and businesswomen now realize or are quite assertive with the notion that business is a force for good in society. We still have a way to go for business to prove that, but what do you think are the biggest challenges facing organizations in this regard?**

AR: I think it is not having the awareness that we are in times of disruptive change. It's not that we cannot access technologies and new insights and knowledge. This one part we cover quite well. I think what is much more difficult is to adapt organizations to these disruptive changes. The organizational structures and existing hierarchies and the focus on egos by

CEOs is still very dominant. I think this is particularly so in the US. We also see this with the last cohort of baby boomers who still are extremely focused on their egos. And, we also see it back in politics, of course, and developing companies. I think that hampers us from making real changes in the organizational structure, giving people much more freedom in terms of work settings and collaboration, but also in terms of collaboration between companies. It is still very much the old-fashioned organizational structure that is dominant and that hampers us.

In fact, in the past 20 years, from making optimal use of the technologies and the insights and the knowledge that has become available, the most important stumbling block are the institutions and for that we really must find political answers. With that I mean, for instance, that people are quite often anxious to make change during their working life with new habits, but also with, for instance, their pensions, or with the security they have today and that cannot be guaranteed tomorrow. The majority of people, certainly in the country I live in and the rest of Western Europe, do have a rather stable foundation, which is a stable base for salaries, for working conditions, for social security and for pensions when they are no longer working. That is what is at stake.

And as long as we do not have a new social contract – a “New Deal” – if that is not coming, then there is still a lot of instability in society that prevents us from making much bigger leaps forward than is possible nowadays. I think what is interesting is that the younger generation and the people in the startups and scale-ups, they are taking the risks. And when I speak for myself, I’ve set up several companies, like... I’m just in the midst of setting up a new one again. As you know, you take a risk because you want to contribute with your company to that greater purpose. In this case, it is feeding the mega cities. So, we’re taking the big picture and developing a software company to support this, and so on. But this is just a very few people who do that. People think they are entrepreneurial, but there are not that many entrepreneurs.

**EH: Yes, that’s true. I think for the most part we have all become “institutionalized”.**

AR: Exactly!

**EH: Or corporatized, if you will. Institutionalized would be a better way to say it. But I think fundamentally though, that the human being is entrepreneurial, is never satisfied with his or her status quo and is always looking for ways to improve his or her circumstances. But over the years of working life, that is kind of drilled out. That creativity that one has is drilled out of people to some extent.**

AR: Yeah, but also another point is that, as different from what you have seen in North America, here in Western Europe we had a very long and deep crisis. Whereas we’ve seen – particularly by the end of the ’90s until, I’d say, 2005 or 2006 – quite some entrepreneurial startups and a vibrant situation – they were more or less the babies that were taken care of – the last economic or financial crisis really left deep scars in people’s psyche, in their awareness.

You know, there was more uncertainty, with people asking, “Can you do it? Will you do it?...” And there were people also looking more and more for safety and this is something you cannot change so quickly. Certainly, when there are no political answers and no new political arrangements. And, I think that hampers, in Europe more than in the US or Canada, let alone Asia. So, I think there are also societal reasons why things do not go as quickly as the “Silicon Valley people” always think it should go.

**EH: Would this be due to a promotion of individualism? What you have in North America is more the individual-centric approach to business as opposed to a societal or communal approach?**

AR: I think that, particularly in Western Europe, you see the environmental model much more now. Let's say, an enlightened capitalism based on social arrangements. And this becomes more and more important to have in order to take bigger steps forward. Therefore, you need to find the 21st century safety nets, and they will need to be more flexible than what my parents had, to make utmost use of the diversity and creativity we have here in Europe. But it is certainly not that we would like to go to the American "Me, myself and I" model, which is something we now see as very 1990s and 2000s. And that is also not the position young people would like to take as an example to emulate. I think we are looking forward to what I call the "new us". And, that "new us" is based on more diversity, but also giving more mutual security to each other.

**EH: In your consultancy work at MeetingMoreMinds you talk a lot about ecosystems and use the term webber or super-connector, if you will. How important does that role play in where economic activities need to be driven from, in terms of value creation?**

AR: I think this is key. With the webber – or the ultimate connector – I mean the new roles that are so important in connecting people, businesses, institutes of knowledge, capital, governmental institutions to each other, around challenging questions, or challenging new things. And particularly, that connecting – what many people say they do, that they network – is not really the case because very often it is them knowing each other in their own reality, knowing yourself in your own company. What I mean with webbers in ecosystems is that with a much more diverse universe around you, around that [challenging] question, you see different companies and competitors, joining. But they also must collaborate and therefore you need these independent roles, which I call webbers, who know very well the purpose of the ecosystem that has been created around a challenging question, but who also know the different strategies of the parties involved and how to connect those people that can contribute to a productive way of using technologies, knowledge, and developing new services and products around it and making money in a responsible way.

But that connecting is something that is extremely undervalued, but also underestimated for what the importance of that is. And I would say that networks and networks of networks in ecosystems do not take off if there are no webbers who have really that role to play and you cannot say, "Well, someone will take it up." No, it is such an important role that without all that – let's say connectivity – between the different parties involved, you get chaos instead of oversight. And what webbers do is they connect, and they give oversight, but they also make it happen without have to play the ego role as we know that of a CEO. So, they are less hierarchical. They are what I call horizontal leaders who do it with respect for the others involved. But since they also [are motivated by] the purpose of the ecosystem, I would say they level up, and bring the different parties to a higher level, because you now play at another dimension, which makes it so exciting.

**EH: Well, it's very interesting because you've just described my career!**

AR: Yeah, that is funny that you say that, because so many people – when I describe the webber – they say, "Oh! Now I know what I am!"

**EH: Right. Well, I see it very much. So, I mean, everything that I've achieved has been through this kind of a webber type of role in terms of when it came to privatization of the air navigation system here in Canada... bringing all the parties together and actually moving forward on a common vision. And now also, with drone traffic management is another issue where you have software development companies, you have hardware companies, you have the regulator, you have all of these different parties having to come together. But what do you feel is the most important aspect of getting such an ecosystem going? I mean, for me, it's all about taking initiative and leadership, but is that all, is there more to it than that?**

AR: No, I think it's also getting the mandate so that the webber is not only the connector, but that there really is, let's say, a substantial mandate, not only in the ability to take decisions where necessary and also to have a say about the budget. And that means that you [as a company] have to delegate and that is very difficult, particularly for boards or executives in companies, because then very often they think only of their own short-term interests. Whereas, in an ecosystem – exactly as you describe around drones – you must look forward and already think about what will be important for the years to come. So, you must work at a higher level and with a future outlook and you do that for the greater good. And that very often clashes with what boards and the management of individual companies think should be in their short-term interest.

**EH: Let's delve into the whole issue of governance a bit more because it is really what you just mentioned – traditionally, boards have always focused on the competitive position of the company. And whereas, what we're talking about is this notion of co-opetition, where you've got cooperation and competition going on at the same time. I think the ICT world has picked up this notion, within ecosystems, quite early on, but this is not so in many other industries. That just doesn't exist yet. What will it take?**

AR: I think it's good that you mention that, because you could already see from the late '70s and early '80s that particularly IT engineers and software developers had their own communities in Silicon Valley, but also globally. And they freed themselves from the idea that everything must have a copyright, or everything was intellectual property. They were the first to understand that exponential learning only happens in collaborative settings, where you trust each other, because when you add something, you may expect that the others will do that too. I think that is why the IT industry, from the early '80s onwards, grew so rapidly. Whereas we have seen the opposite in biotechnology. There we saw that sharing was forbidden and that [for example] professors at universities who thought they had a tiny thing that might be worth a lot of money, protected this with so much [legal documentation] for rights to this intellectual property, that even larger companies could not do anything with it. And this has hampered the development of biotechnology. And, you can even see that there has been a time lag of almost 25 years between what we saw coming up as new technology and its realization.

I worked a lot on biotechnology in the '80s and I also worked on the regulation of biotechnology for the European Parliament. But there was a stalemate in the development of the technology, because of the ultra-protectionism, whereas sharing is the new normal. I think that particularly with technology that has come out of academia and in production already and in its application, we see a much quicker takeoff with all the community sharing it. It is also what companies should share. I think that the open source is a very good example of the new way of working, the new way of sharing. It is in fact creating a new

setting where you need to share to better understand the potential. It also denies, at the same time, one company from knowing everything, or doing anything it pleases. So, collaboration is key, but the setting must be developed for that to happen.

**EH: So, there's been a lot of focus on competition for decades.... Are you seeing a shift towards creation [through cooperation] more than before and that this will be the new norm for value creation and of growth?**

AR: Yes, I would say so. But the funny thing is that this is much more difficult in the US than in Europe, because we have much more of a sharing mentality. I think this will also be the new success of Europe – generations here are much less tuned in to short-term wealth creation, and working much more in [collaborative] environments, doing challenging things [that are of value to society.] That's exactly what we see happening.

We have for instance, here in the Netherlands, Prince Constantijn who is the leader of the startup and accelerator network at B. Amsterdam [a startup and innovation ecosystem], next to the IBM buildings in Amsterdam, and he is organizing together with many smaller companies the Capital Tour XXL. So, a lot is being organized to stimulate cooperation. And, I think it also is a lot less risky for investors when companies and startups connect and work together, instead of going it alone, and can go a lot further with innovation. I think investors will also learn from those failures and question why go for one unicorn and not for an ecosystem.

**EH: Right. So, it's a way of de-risking the venture as well....**

AR: I would say so.

**EH: So finally, what does this all mean for government policymaking and regulation since, as you mentioned earlier, the institutional community has not kept pace. What does this mean for governments in general terms, in this new reality?**

AR: I think that in Europe, but also in North America, that you will see a new kind of industry politics coming up. How to create a new force [to compete with] China, for instance. But I think this is exactly not what we must do because we know that when government steers industry policy it's always cherry-picking. Only multinationals are the winners, or a few little darlings that grew up quickly. The new name of the game for governments is to see what the really big global issues are around climate change, health, social contracts, energy transition, etc. These are things that governments can address and can stimulate companies to work on, by having a long-term policy [framework] around it.

I think what Germany did in the late '80s was really great – to have policies in place for 20 years on renewable energy, and to stimulate an entire new industry without saying what exactly must be done. Governments should refrain from detailed policymaking but address more the international and global issues.

And therefore, I think that the institutions, like for instance the European Union but also the United Nations, will become more and more important. We've seen this with the SDG's – the social development goals – where we can address the big issues and stimulate companies to work purposefully together on solutions. This is very different from what we've seen in the '90s and particularly up until the economic crisis. I think that going it alone, and in it only for yourself, is a dead-end because the business models have changed. The business models are much more geared towards networking and ecosystems. The questions have changed, and the challenges have changed. It's not about a new machine. It is about new systems and

therefore systems thinking is extremely important, particularly for governments, to see how they can collaborate on the big challenges, and not to dictate, but to let go.

And to invest in education, in easy access to knowledge and in easy access to institutes of higher education. So, not that we have the situation where you need immense amounts of money to pay just for a few courses or to get a masters degree. I think one of the important things is to have accessible education at all levels and to have even more international education. And particularly, not to protect too much, but to trust each other more. And I think, include the Chinese, include the Russians, in very important international projects to learn together. Perhaps even a mission to Mars can help with that!

**EH: It definitely requires at the institutional level, quite some – well, I would even say revolutionary – change, to make sure some of these institutions that have been built up over the decades are fit for purpose. And, as we’ve seen with the whole Brexit debate of course, quite a lot of concerns about the European institutions and how they function.**

AR: I would say it is more about the British, and particularly [the politics] in the parliament there, but not about European institutions, because we go on.

**EH: Indeed. Well, it’s certainly an interesting time. Lots of political change happening and I think we’re at a stage where there’s still a lot of debate going on in terms of what is the way forward [on the most important questions of the day.]**

AR: But I think that’s also good, because we should not follow dictators or demagogues. I think we should cherish democracy, dialogues and open minds and only then can we surprise ourselves and our fellow citizens....

**EH: ... in what we can achieve together?**

AR: Exactly!

**EH: Alright, very good. Well, on that note, thank you very much for the time.**

AR: It was a pleasure!