APPENDIX A

Literature research
Research questions:

1. Understanding the concept of innovation ecosystems
   - What is an innovation ecosystem?
   - History of ecosystems
   - Governance of an innovation ecosystem
   - Hierarchy
   - Forms
   - Roles
   - Drivers/barriers of an innovation ecosystem
   - Adoption process of an innovation ecosystem

2. Understanding the Financial industry
   - How does the landscape look like?
   - Players
   - Key characteristics
   - How do banks work?
   - What is their focus?
   - How do they innovate?

3. Understanding the concept of DLT
   - What is DLT?
   - Which types of DLT exist?
   - Which type of DLT is most applicable for ecosystems?
   - What are Permissioned ledger systems?
   - How will DLT impact the Financial service industry?
   - What are the drivers and barriers of implementing a DLT solution?

Preliminary Interviews
Research objective:

1. Gain more profound and practical understanding of the innovation ecosystems concept
   - How is an innovation ecosystem defined?
   - Are there different types of IE’s?
   - What are the main drivers and barriers of adopting an innovation ecosystem?
   - How does the adoption process of an ecosystem look like in practice?
   - Why do companies adopt or participate in an innovation ecosystem?
   - What roles are present in an IE?

2. Gain deeper and more practical understanding of DLT
   - What are the DLT developments in the financial service industry?
   - What is happening in the world of DLT?
   - How is the perception of DLT changing over time?

3. Formulate hypotheses that can be validated in the case studies

Case study research
Research objectives:

1. Distill the extra considerations that need to be taken into account when adopting an ecosystem for a DLT solution (within the banking sector)
   - Is a DLT ecosystem significantly different from other ecosystems?
   - What are knowledge requirements of companies within the Financial Service industry to adopt an ecosystem with a DLT solution?
   - What DLT specific barriers present themselves when adopting an ecosystem in the FS?
   - What are the motivations of banks to participate in an ecosystem?
   - What are bank specific barriers to adopting an ecosystem?
   - What roles are required when adopting an ecosystem for a DLT solution?

2. Validate hypotheses

3. Create a strategic framework representing the insights

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APPENDIX B

Definitions innovation ecosystem

<table>
<thead>
<tr>
<th>Author</th>
<th>Quote</th>
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<tbody>
<tr>
<td>Adner (2006)</td>
<td>“The collaborative arrangements through which firms combine their</td>
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<td></td>
<td>individual offerings into a coherent, customer-facing solution” (p.</td>
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<tr>
<td></td>
<td>98).</td>
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<tr>
<td>Carayannis &amp; Campbell</td>
<td>“...Where people, culture and technology meet and interact to</td>
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<td>(2009)</td>
<td>catalyze creativity, trigger invention and accelerate innovation</td>
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<td></td>
<td>across scientific and technological disciplines, public and private</td>
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<td></td>
<td>sectors and in a top-down, policy-driven as well as bottom-up,</td>
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<td></td>
<td>entrepreneurship-empowered fashion” (p. 202-203).</td>
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<tr>
<td>Dedehayir, Mäkinen, &amp;</td>
<td>“Innovation ecosystems describe the collaborative effort of a</td>
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<td>Ott (2018)</td>
<td>diverse set of actors towards innovation, as suppliers deliver key</td>
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<td></td>
<td>components and technologies, various organizations provide</td>
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<td></td>
<td>complementary products and services, and customers build</td>
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<td></td>
<td>demand and capabilities.” (p. 18)</td>
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<tr>
<td>Dodgson, Gann, &amp;</td>
<td>“a network of interconnected organizations, connected to a focal</td>
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<td>Phillips (2013)</td>
<td>firm or a platform, that incorporates both production and use</td>
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<td></td>
<td>participants and creates and appropriates new value through</td>
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<td></td>
<td>innovation.”</td>
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<tr>
<td>Golnam, Ritala &amp;</td>
<td>“We view an innovation ecosystem as a business ecosystem, which</td>
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<td>Wegmann (2014)</td>
<td>aims at creating and capturing value from innovation activities</td>
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<td></td>
<td>(related to either technological or business/entrepreneurial</td>
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<td></td>
<td>innovation)”</td>
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<td>Lautsi &amp; Levien (2004)</td>
<td>“[...] the performance of these [...] firms derives from something</td>
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<td>that is much larger than the companies themselves: the</td>
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<td>success of their respective ecosystem. These loose networks – of</td>
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<td></td>
<td>suppliers, distributors, outsourcing firms, makers of related</td>
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<td></td>
<td>products or services, technology providers, and a host of other</td>
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<td></td>
<td>organizations– affect, and are affected by, the creation and delivery</td>
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<td>of a company’s own offerings.” (p. 01)</td>
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<td>Jackson (2011)</td>
<td>“The complex relationships that are formed between actors or</td>
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<td>entities whose functional goal is to enable technology development</td>
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<td></td>
<td>and innovation.”</td>
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<tr>
<td>Luoma-Aho &amp; Halonen (2010)</td>
<td>“We define innovation ecosystem as a permanent or temporary</td>
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<td></td>
<td>system of interaction and exchange among an ecology of various</td>
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<td>actors that enables the cross-pollination of ideas and facilitates</td>
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<td>innovation” (p. 4).</td>
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The sixteen preliminary interviews resulted in three hypotheses that were validated in the multiple case study. Each of the hypotheses, together with the innovation research that was important in the adoption process of an innovation ecosystem.

1. INTERNAL PREPARATION: INTERNAL PREPARATION THAT INCLUDES ASPECTS SUCH AS AN ECO SYSTEM MINDSET IS REQUIRED BEFORE ECOSYSTEM ADOPTION

All the parties involved in the ecosystem need to understand that it is about the success of the ecosystem rather than the success of the individual companies. This might mean that a decision is suboptimal for one individual company, but it needs to happen in order to make the ecosystem succeed. ‘That asks for a different mindset, because you cannot only look at your own role and make sure it works the best for you. If you do that, you get a suboptimal solution for the ecosystem, which will in the end harm yourself even more.’

The change in mindset that is required to function in an ecosystem can be seen as a big hurdle. People are not used to work together with people outside their own organization, especially not when it comes to competitors. ‘Everybody thought it was weird to work together with “competitor” and other “partners”.

This asks for a more top-down approach, so people are somehow forced to adopt this new mindset and the company is organized that way. ‘Internally you need to make sure that companies see that they have to change. That they really create the ecosystem with the right people from the organization. The processes internally need to connect to this.’

Another aspect that needs to be taken into account before adoption is the characteristic of financial institutions. Everyone wants to have a seat at the table and is enthusiastic, but when it comes to really committing, most companies do not ‘dare’ to invest in the technology. The risk is hard to calculate in the beginning of the project, which could be seen as a big bottleneck. ‘Then they immediately ask, what is the risk? But you don’t know that yet.’

2. ECOSYSTEM ADOPTION PROCESS: EVERY ECOSYSTEM MINDSET IS REQUIRED BEFORE ECOSYSTEM ADOPTION

All individuals companies need to understand the ‘pains’ and ‘gains’ of participating in an ecosystem. It will cost money, it is uncertain and there will be some extra collaboration issues (as you collaborate with competitors). However, if the ecosystem succeeds, more value will be created than innovation that comes out of a ‘closed’ company.

It is believed every innovation should start at the intersection of a trend, technology and customer need. This sweet spot is called a value area that is formalized in a shared vision and continues following a normal innovation process.

All individual companies need to understand the ‘pains’ and ‘gains’ of participating in an ecosystem. It will cost money, it is uncertain and there will be some extra collaboration issues (as you collaborate with competitors). However, if the ecosystem succeeds, more value will be created than innovation that comes out of a ‘closed’ company.

‘It can never be only a technology. So blockchain on itself is no value area. That would be something like blockchain contracts in our channel to the client.

Even though several approaches are taken, the steps are almost the same to a normal innovation project, including going through lean experiments. ‘You keep innovation so the process stays the same’

An ecosystem strategy and vision is crucial for the success of an ecosystem. The ecosystem vision need to be specific enough so everyone feels engaged. But also broad enough so all parties can put their own specific goals underneath it. This ecosystem strategy needs to be linked to the innovation strategies of the parties involved. ‘This innovation strategy needs to be connected to the corporate strategy otherwise the innovation that are created do not add value to the vision of the company.’

‘If the innovation strategy is not linked to the corporate strategy, you put your money in something that is not going to create any value because it is not in the direction where the company wants to go.’

Furthermore, you need to have transparent communication to that strategic changes in the corporate do not prevent the ecosystem from moving forward.

An important timeline in the process of adopting a ecosystem is the phase from no idea - idea- concept-business plan, needs to be less than four months. That way you have less problem with corporate strategies that change, and you don’t waste time and money on a project that will not generate value. ‘If it turns out that it won’t work after three months, it could be good friends, but you don’t waste money and effort.’

Also it is important to make it as concrete as possible, early in the process. ‘We want to make it concrete as fast as possible, so we start with filling in the lean canvas. This way you prevent drinking a lot of coffee but achieving nothing.”

3. COLLABORATION, DISRUPTIVE INNOVATION IS REALIZED IN A COLLABORATION IN WHICH ROLES AND RESPONSIBILITIES ARE DIVIDED BASED ON STRENGTHS, THE NUMBER OF PARTNERS IS LIMITED AND WHERE EACH PARTNER IS INVOLVED EARLY IN THE PROCESS.

Importance of collaboration

For creating disruptive innovation, it becomes clear that, it is crucial to partner with other companies. Especially for Dutch companies where scaling could be a problem. For disruptive innovation fast speeds are required.

An example of this is the proposition to implement one payment system nationwide, also known as iDeal. This wouldn’t have worked if you kept it inside only one company. You need the maturity of the market to bring such a solution to the customer.

However, partnering in an ecosystem is a difficult topic and organizations are still figuring out how to deal with this in the best way. ‘It is extremely difficult for organisations to adopt an ecosystem. Who are involved? what partnerships are formed? what will the roles be? what is the created value? how will this value be distributed?’

Roles

Not all partners in the ecosystem have to work together on a 1:1 basis with everyone. ‘People should have their own responsibilities otherwise not all parties are equally engaged. These roles and responsibilities should be divided based on the strengths of each partner. ‘If an ecosystem works well, everyone has their own role and works from their strengths’

In the beginning of the process, these roles can be divided informally. However, when the product will be launched, formal roles have to be appointed. ‘The more successful it becomes, the more you formalize it’

Within an ecosystem, you need different kinds of skills: ideation and experimental skills (design thinking, lean startup, service design, rapid prototyping), skills for scaling and engineering capacity. So it is important to take this into account, when you are setting up responsibilities. ‘Within the experimentation phase, you need different skills then when you are scaling.’

When it comes to leading a process in the ecosystem, big corporates have the tendency to take the lead in partnerships. However, the value system of this is this is not always ideal. Companies need to understand that they can have different roles in different ecosystems, and that it is not ‘bad’ to have another role than the orchestrating one. This connects to their tendency to say ‘it is mine’. An ecosystem is not the ownership of one party, like it is with a normal supply-chain. ‘I think the biggest risks is the tendency of corporates in the Netherlands is to say ‘this is mine’, that mindset of yes you can join but it still stays our little party.’

Moment of partnering

The moment to involve partners differ per project. In some cases, the orchestrator fully works out the idea and starts building, then they involve partners. In other cases, partners are involved earlier in the process and they co-create the solution. The third way is to join an existing ecosystem.

However, it is important to involve all partners from the beginning: ‘no partner should do what is was done before. The later you involve a partner, the more you go to an old relationship of client- supplier (see figure ...). The later you involve them, the more background will be for them to choose their role in the partnership as the proposition becomes more clear. If you involve them early on, they can still help developing. In a framework, it is more a partnership, which is more in the direction of a supplier-client partnership.’

The type of partnerships in ecosystems are more based on trust. As innovation is an exploration, you cannot put everything in a contract. ‘This makes it often more exciting and fun, if you enter an equal partnership, you have to commit by trusting each other.’ Companies are still exploring this but when they are not facing any aspect, what things do you need to formalize, and which things can you do face to face based on trust?’

The advantages of an equal partnership are first of all the collaboration and the earlier parties are involved the better. ‘Knowledge institutions now were not mentioned during the interviews. This does not impact the success of an ecosystem, but the non-concurrential phase. ‘Knowledge institutions now have the money’. The following conclusions can be made. First of all, the steps of the birth phase are not followed explicitly. However, the as- pect of the identification of necessary roles and responsibilities, were thought of in practise but not chronologically.

Roles are identified in the literature of innovation ecosystems and are also assigned explicitly. That is because for most companies ecosystem innovation is still a very new topic and they are still learning how to realize that process that works for them. What can be concluded here is that companies want to find a personalized process and way of working that suits their needs instead of following an academic process.

Some of the drivers and barriers identified in the literature, were not mentioned during the interviews. This does not mean that these do not uphold. However, not mentioned aspects might be as important as the ones that did match. The ones that were mentioned during the interviews include; the win-win situations for all parties, the difficulty in collaboration and the earlier parties are involved the barrier.

When looking at the DLT literature in chapter three it can be concluded that, the most important to not test results in DLT development are coherent with the insights gathered from the expert interviews. Furthermore, it can be concluded that DLT is still in an early stage, it cannot be fully used in the financial sector but is not fully ready to be adopted on a large scale due to regulations and lack of scalability.
MULTIPLE CASE STUDY INSIGHTS

The main insight from the multiple case study was the fact that the cases did not share the same opinions about how DLT consortia should be adopted. This was because they participate in the same consortiums and therefore face the same problems and situations. However, it was helpful to take these cases because this way it was possible to include the specific perspectives of the companies in order of the consortium perspective.

Motivations to join a DLT ecosystem

There are several reasons why companies are interested in DLT and joining DLT ecosystems. First of all, it is well matched for the image and branding of a company. The company gets a more innovative character which is good for the marketing and ultimately sales of the company. This was especially true in case 1, where pension funds joined the consortium: ‘We wanted to go along with the world around us, outside our dusty edges’. Second, companies consider becoming more ‘data-conscious’ and expecting more transparency than they are used to, in that direction (for example the GDPR-law). Thirdly, the market is changing and there are entering more and more disruptive startups, causing existing companies to rethink their innovation practices. Fourthly, investing in DLT has enormous cost-saving potential, as intermediaries and a lot of the administrative costs can be eliminated.

However, there are also some conditions associated to join- ing a DLT ecosystem. First of all the technology is not fully mature yet which makes it very risky. Especially in case 1 this was an issue: ‘The technology is not mature enough. When you want to make pension calculations, you need to be able to root. This was not possible so our actuaries could not work with it. Then you see the boundaries of the technology.’

Another barrier is the lack of a good business case. This is also stressed by the benchmark and against the growing the market the value of the product, that there is a business case’. It needs to be clear, what it will offer them in financial terms.

Furthermore, the customer experience and a clear vision is also important for the success. In case 1 this became more important later in the process: ‘I think we should have started with that, a UX marketing team, to start looking at the customer journey. Now this happened too late.’

Other aspects that make companies decide not to join a consortium are: a different strategic focus, a different target group, the amount of partners already joining. This does not mean they will never join, they can become client when the product is live.

VALIDATION HYPOTHESIS 1

Internal preparation: Internal preparation that includes aspects such as an ecosystem mindset is required before ecosystem adoption.

Management commitment

An organization needs to prepare and commit internally to effectively join or orchestrate an ecosystem.

This is clearly illustrated in case 2, the CEO of the bank is clearly recognizing the importance of DLT for the company. By having the management commitment, the needed changes in the processes at the bank X. Our highest man committed to its importance by putting it in the strategy, by priming the employees and thereby creating this cultural change.’

However, not all companies have management that is so focused on disruptive innovation. In case 1 the management is more hesitant and sensitive for outside influence: ‘When negative news about DLT all of a sudden can stop the process completely. Even though the product is ready and the added value is clear it won’t start, because the management is ignorant.

In these cases it can help to show its value to the outside world, that way you can create an awareness that will make the management enthused and committed. ‘If the board sees the value of the product from the out- side, through presenting it to the outside world, people come to the board. This creates a force from the outside and a fear that the product will fail.’

This strategy was used in case 1 by presenting the use case to the outside world, the project team gained attention and thereby commitment from the management team.

Awareness and understanding of DLT

Organisations are not aware of the possibilities of the technology. This makes companies hesi- tant when it comes to spending a lot of money on it.

Over the years financial institutions have gained interest in DLT. This came either from a certain level of fear that it would be too late to do something, or it was a more person- al interest in the technology. DLT teams were created that focus on understanding it from there. The focus shifted towards finding more practical use cases. Because of this the ‘understanding phase’ is now it is easier to find use cases and to test the concepts. So, in order to create a valuable solution it is necessary to develop this basic level of knowledge first.

However, organisations do not know how to deal with the technology in terms of legal, compliance and risk. This was also true for case 1, where one of the consortium partners explained the importance of having the right governance in place with this technology. ‘For DLT a standardized document needs to be created’.

Conclusion hypothesis 1

Companies need to prepare before they can participate in or orchestrate a DLT ecosystem. Or it can be orchestrated by a company which directly benefits from the solution. However, this was as a project. ‘The problem with these separate entities is most of the time, that the consortium people who initially joined, will be part of this. They need to be carefully chosen about how to run a company. You need venture experience. Komgo struggles with this now, there are 8 people like me in the board, which results in bad advice to the CEO’.

VALIDATION HYPOTHESIS 2

Structure of DLT consortia: DLT consortia follow different approaches. However, all of these approaches start with a ‘normal’ innovation process in which they experiment fast and cheap and have go/no-go moments. However this is not the case where you use a decentralized network to solve something internally is not the best solution’. This makes banks more open: ‘The technology requires us to be more open, which means we also open up. This happens over time. Now we could bank A and bank B don’t ask what we are doing now. A decentralized blockchain governance models—they’re simply more efficient and easier to execute’.

In the PIVOT and Komgo case, it is even questioned whether DLT is necessary for this small part. ‘For value transfer, honest- ly, do you really need blockchain? that is the big question.’

Decentralized organisation

It is important to structure the consortium in a decentral- ized way, otherwise it does not fit the DLT solution. But how would this be done? How will the roles be divided? ‘Do you really need blockchain? that is the big question’. ‘In some cases, use both, a steer co 5 people of the different companies who align really need blockchain? that is the big question’.

Organisations do not understand or are not aware of the importance of having the right governance in place. ‘You are not going to say hey Shell, go and do it. That is not the idea of decentralized. So you can- not need to have this neutral ground, a Switzerland’

Another benefit of creating a separate entity is for the opportunity for the partners to wait with the internal adopt- imeline until the product has proven itself. ‘For sure it helps that the innovation is out-side, this means that you don’t have to adopt it now. You can see how the product develops over 2 years for example and see how it goes’.

Furthermore it brings speed. A product owner associated to case 3 describes this as follows: ‘I don’t believe you should put it on one company that takes too much time. I think it is good to put dedicated focus on it from the beginning.’

The problem with these separate entities is most of the time that the consortium people who initially joined, will be part of this. They need to be carefully chosen about how to run a company. You need venture experience. Komgo struggles with this now, there are 8 people like me in the board, which results in bad advice to the CEO’. Conclusion hypothesis 2

DLT consortia follow different approaches. However, all of these approaches start with a ‘normal’ innovation process in which they experiment fast and cheap and have go/no-go moments. However this is not the case where you use a decentralized network to solve something internally is not the best solution’. Then, a small part is tested in a consortium. Another unique aspect of DLT consortia adoption processes is the fact that it mostly works towards a separate entity.

VALIDATION HYPOTHESIS 3

Collaboration: Disruptive innovation demands a collabora- tion in which roles and responsibilities are divided based on strengths, the number of partners is limited and where each partners is involved early in the process.

DLT demands & stimulates collaboration

This is also the case for DLT consortia. To make DLT suc- cessful you need a group of organisations working together. This is because, decentralization within one organisation is always a process that is way to too much and needs the right skills. This is also a bottleneck in the Komgo entity. In the board are often people like me, who have a lot of industry knowledge, but do not have the right skills’. Conclusion hypothesis 3
There is a difference between an orchestrator and a leading role when the consortium is set up. Most of the time, the idea comes from one company. Then, they either involve other partners from the beginning, or they first develop a concept internally to test the value. It is very hard not to have one party taking the lead when the concept is not formalized. This is because the business value and technical feasibility is not clear yet so the process needs to be fast and have momentum. So, you don’t want to get caught up in the delays that happen due to the start of the collaboration.

However, when the consortium is set up, and the final product is going to be built, it is favourable to distribute the responsibilities among the partners. ‘I do think that with a distributed technology you should not have one lead.’

The orchestrator of a consortium needs to decide which leadership style it will use. By preparing and working out every aspect that needs to be discussed on beforehand, you eliminate endless discussion and keep the process moving. However, this will also create tensions and it will make the other parties less involved.

A few aspects motivate companies to orchestrate a consor- tium. First of all, companies sometimes believe they benefit the most if they are the first. ‘If you are the first on the market selling tomatoes, you can sell the most and build a relationship with the customer. That is also true for DLT.’

Secondly, they want to guarantee the quality of the product. ‘that is why they chose to do it themselves.’ We like taking the lead, especially within the DLT ecosystem. We are one of the stronger players because we have a big team. We like to build it because then it’s built at a standard we require.’

Thirdly, when you are already a big player in a market, it is natural that you take the lead. ‘Bank X is very strong on the oil market. If you are a strong player and you want to profit the most if they are the first. ‘If you are the first on the market coming to the chicken & egg problem’, it needs a lot of investment on beforehand and Accenture does not want to take that risk. Secondly, the idea to focus on cross-sector initiatives is interesting and ‘has enormous value’. Thirdly, one of the biggest hurdles of the concept and adopting it, is the lack of internal communication, knowledge sharing and knowing who to contact for specific information. Goldens rules

The first exercise was called the ‘golden rules’. this exercise aimed to determine the five golden rules to make a new proposition within Accenture succeed. The group was split up into two, which resulted in the following golden rules.

GOLDEN RULES GROUP 1
1. Business case: will this initiative benefit the organisation?
2. Leadership buy-in (All groups): MD sponsorship
3. Clear internal communication (physical / digital)
4. Getting the right knowledge and expertise
5. No overlap with other accenture services (*comment MD*: some overlap might be beneficial)
6. Can’t be too internal focused: proof of clients, revenue etc.
7. Scalability

GOLDEN RULES GROUP 2
1. More collaboration
2. Accenture know-how & whom to reach out to (network)
3. Can’t be too internal focused: proof of clients, revenue etc.
4. Internal business case / plan
5. X-factor (dreamteam)

These golden rules overlap to a great extent which illustrates the importance of them. An aspect which was highly ranked was the ‘Accenture know-how & whom to reach out to’ which was also mentioned in the introduction of the session. An example given for this was that one of the participants even knew the group within Accenture other participants were working in. Furthermore, some obvious but crucial ‘rules’ were mentioned like a solid business case and leadership buy-in. One tip that was given here, was to find ‘sponsors’ of the idea: senior people within Accenture, who are willing to speak in favor of your idea and taken action on it.
Identifying ecosystem opportunities

The next exercise was to determine ecosystem opportunities, so either problems which ask for a ecosystem approach or trends which apply to multiple clients. Unfortunately, this part of the session did not result in the desired outcome. The opportunities that were identified were rather obvious and shallow.

Designing the Accenture ecosystem process

The last exercise aimed to design the ecosystem process which Accenture would potentially go through if this proposition would be adopted within Accenture. Again the group was split up and a template was given to speed-up the process. Both of the teams chose another topic to focus on, one on an online patient dossier case and the other team on the leasing industry.

One of the biggest conclusions that could be drawn from this exercise was that people found it difficult to understand the ecosystem concept and how to work outside their own industry or client group. Furthermore, people are not used innovation processes which involves product development with Accenture as the leading role. This requires a mindset change as mentioned earlier in chapter 6.

Conclusion internal brainstorm

The first big conclusion that can be drawn from the session was the mindset and organisational change that is needed within Accenture in order to make this proposition work. This means creating an internal platform which enables employees to find the right expertise throughout the whole organisation.

The second insights was the fact that cross-sector ecosystems are seen as very valuable by senior management within Accenture. This confirmed one of the insights from the research (see chapter 6): cross-sector ecosystems are more valuable (money-wise and impact-wise).

Thirdly, the brainstorm highlighted the fact that Accenture people are not use to product development. Therefore, the methods used to go from a trend or opportunity to an actual concept is crucial.
An orchestrator executes certain orchestration practices. These practises are defined as ‘activities through which actors purposefully build and manage the multi-stakeholder innovation network’ (Reypens, Lievens & Blazevic, 2019).

According to Aarikka-Stenroos, Jaakkola, Harrison & Mäkitu-lo-Keinonen (2017), there are seven orchestration activities:

First of all, goal setting and refining, which is about setting visionary goals and realistic milestones for the innovation process and the members of the network. The refinement of the goals can take as long as the entire process (Aarikka-Stenroos et al., 2017).

Secondly, resourcing is another important orchestration activity (Aarikka-Stenroos et al., 2017). It refers to the identification of the partners who possess the right knowledge. This activity is also related to providing the right resources to the network members throughout the innovation process.

Thirdly, the activity of motivating the network members is part of the tasks of the orchestrator. This encompasses the identification and provision of financial support and social help for network members, to make sure they can focus on co-creation (Aarikka-Stenroos et al., 2017). This activity is a necessity throughout the whole process.

Fourthly, consolidating is an orchestration activity that refers to building common ground, trust and commitment from all the network members (Aarikka-Stenroos et al., 2017). In addition, this activity aims to create a constant dialogue between the partners in the ecosystem. This activity is required throughout the entire process, but especially important in the beginning of the process to make sure the right kind of commitment is achieved and established.

Fifthly, coordinating: the division of tasks and its communication which is (Aarikka-Stenroos et al., 2017). This is about monitoring the process of the ecosystem but also about adjusting the goals. These activities all support specific network outcomes.

Sixthly, it’s the responsibility of an orchestrator to give orders and make sure that the rules and agreements are followed (Aarikka-Stenroos et al., 2017). Whether this is done very strictly depends on the type of orchestration that is pursued in the network.

The last activity that is done by an orchestrator in the network, is leveraging. This activity entails preparing the network for the fourth coming innovation. This is done by mindset change and creating critical mass for the new innovation (Aarikka-Stenroos et al., 2017).

In order to pursue these activities successfully, there is the need to develop new capabilities (Driessen & Hillebrand, 2013). First of all there is the need for the stakeholder network capability. This capability empowers the orchestrator to recruit the right members for the network. The second capability that is necessary is stakeholder competency mapping (Kazadi, Lievens & Mahr, 2016). The creation of valuable knowledge within networks is strengthened by the orchestrators ability to structurally map the competences of their various stakeholders (Kazadi, Lievens & Mahr, 2016).
Imagine... You are the conductor of an orchestra. You are responsible for the collaboration between the different instrument groups, to make sure they play the right notes and tempo. This is a complex task that requires accurate guidance.

This playbook is for the conductor of a business orchestra, in other words: an ecosystem. Orchestrating an ecosystem or consortium can be very difficult as multiple (types of) companies are involved.

According to Dhanaraj and Parkhe (2006), network orchestration refers to ‘the capability to purposefully build and manage inter-firm innovation networks’.

Management of inter-firm innovation networks does not only concern knowledge management or innovation management, it also entails management of interdependency among network members (Rizova, 2006). It is becoming more common that networks are orchestrated by a firm, due to their stake in the outcome. This orchestrating firm selects the right members, shapes their interaction and actively manages the network as a whole (Ritala et al., 2013).

This book will first explain some theory on orchestration activities. Next, it will elaborate on the phases of ecosystem adoption and provide advice on how to orchestrate each phase.
A LITTLE BIT OF THEORY

ORCHESTRATION ACTIVITIES
An orchestrator executes certain orchestration practises. These practises are defined as ‘activities through which actors purposefully build and manage the multi-stakeholder innovation network’ (Reypens, Lievens & Blazevic, 2019). According to Aarikka-Stenroos, Jaakkola, Harrison & Mäkitalo-Keinonen (2017), there are seven orchestration activities:

First of all, **goal setting and refining**, which is about setting visionary goals and realistic milestones for the innovation process and the members of the network. The refinement of the goals can take as long as the entire process (Aarikka-Stenroos et al., 2017).

Secondly, **resourcing** is another important orchestration activity (Aarikka-Stenroos et al., 2017). It refers to the identification of the partners who possess the right knowledge. This activity is also related to providing the right resources to the network members throughout the innovation process.

Thirdly, the activity of **motivating** the network members is part of the tasks of the orchestrator. This encompasses the identification and providence of financial support and social help for network members, to make sure they can focus on co-creation (Aarikka-Steenroos et al., 2017). This activity is needed a necessity throughout the whole process.

Fourthly, **consolidating** is an orchestration activity that refers to building common ground, trust and commitment from all the network members (Aarikka-Stenroos et al., 2017). In addition, this activity aims to create a constant dialogue between the partners in the ecosystem. This activity is required throughout the entire process, but especially important in the beginning of the process to make sure the right kind of commitment is achieved and established.

Fifthly, **coordinating**: the division of tasks and its communication which is (Aarikka-Stenroos et al., 2017). This is about monitoring the process of the ecosystem but also about adjusting the goals. These activities all support specific network outcomes.

Sixthly, it’s the responsibility of an orchestrator to give orders and make sure that the rules and agreements are followed (Aarikka-Stenroos et al., 2017). Whether this is done very strictly depends on the type of orchestration that is pursued in the network.

The last activity that is done by an orchestrator in the network, is leveraging. This activity entails preparing the network for the fourth coming innovation. This is done by mindset change and creating critical mass for the new innovation (Aarikka-Stenroos et al., 2017).
TYPE OF ORCHESTRATION

In academic literature, two types of orchestration are distinguished: dominating orchestration and consensus-based orchestration.

The dominating model is about one key actor who controls the network. This party, recruits the partners of the network and sets the agenda. This model normally relies on traditional contracts (Kazadi, Lievens, & Mahr, 2016). Dominating orchestration is often present when the network is organised around one central firm. These organisations are generally the initiator of the network and take the lead in activities such as partner recruitment (Kazadi et al., 2016), vision setting and goal setting (Aarikka-Stenroos et al., 2017).

The consensus-based model is one where the partners together decide on the agenda, the membership and where trust is the main aspect that keeps the relationship together (Gray, 1989; Roloff, 2008). This model is nonhierarchical and involves a lot of negotiation (Crosby & Bryson, 2010). Partners can participate voluntarily, and the orchestrator merely empowers them to deliver value to the network (Huxham & Vangen, 2000). To make sure every member is aligned, workshops are organized in which they align on language definition and to create a common understanding (Huxham & Vangen, 2000).

CRITERIA FOR ORCHESTRATION

The choice for one model or the other depends, first of all, on the aim of the ecosystem, including the type of orchestration. If the ecosystem aims to fulfill a certain vision or a social, environmental or societal purpose, it is crucial to align the partners and to make sure that everyone agrees on that high level. We call this type mission-driven ecosystems. These ecosystems ask for a consensus-based approach that makes sure all partners are aligned and feel heard. Besides mission-driven ecosystems, there also exist efficiency-driven ecosystems. As the word already implies, this type is focused on efficiency and cost reduction. For this type a dominating style can be more useful as the aligning phase in these ecosystems is shorter. That is because when the aim is to reduce costs or make a process or product more efficient, the ecosystem does not create something completely new and disruptive. For this reason, it is easier to agree upon the aim, goals, and milestones in the ecosystem.

Secondly, the higher the amount of members, the harder it is to manage and observe the network. This aspect is called ‘network opacity’ (Fonti, Maoret, & Whitbred, 2015). When the network opacity is high, trust and negotiations among the members is harder to achieve, which makes the consensus-based model less appropriate (Blazevic, Reypens, & Lievens, 2019). However, when applying the dominating model in large networks, it could undermine the legitimacy of the orchestrator. The orchestrator can never possess all the expertise created in the network, which reduces their legitimacy (Bridoux & Stoelhorst, 2016). This could result in a counterproductive way of orchestration (Davis and Eisenhardt (2011). Thus, the dominating orchestration style is preferred in large ecosystems, but it is crucial to manage the knowledge distribution in the network.

Lastly, the technology that is being leveraged in the ecosystem is important to take into account. When a technology has the aim to decentralise how processes are organised, such as distributed ledger technology (DLT), it is in the nature of the technology to use a consensus-based orchestration style as this is more democratic and thereby decentralised.
There are several phases within ecosystem adoption. It starts with finding the right partners and ensuring their involvement and commitment to the consortium. When all the partners are involved, the consortium governance must be discussed. This phase contains several meetings where decisions are made on the management of the consortium. The third phase in the process is the “request for proposal (RFP)” phase, which entails sending a request for proposal to several technical companies that are capable of building the technology needed for the solution. When the RFP is successful, four groups will work simultaneously: ‘technology building’, ‘legal considerations’, ‘customer experience’, and ‘separate entity governance’. After these groups are finished, the separate entity will be created in which the final product will be launched to market.
In order to provide proper guidance for the orchestration of ecosystems, first a general type of orchestration has to be determined. This is either consensus-based or dominating orchestration. As not all of these steps in the phases ask for specific guidelines, this general type will help during these steps.
PARTNER PHASE

GOAL: Bring the right partners together and make them commit to the ecosystem.

This first phase is about bringing the right partners together and to get their formal approval of participation in the ecosystem. If the partners are already involved since phase 2, this step only entails planning the kick-off of the consortium phase. If the partners, needed for the ecosystem, were not involved during the design sprint and PoC, this phase is more complicated. It will ask for a detailed plan on how to approach the new partners (sales plan) which should be created in collaboration with the client account leads across the departments of Accenture.

The potential partners must be convinced of the project and willing to financially commit. If new partners enter, this phase will also take more time. That is because Accenture needs to manage both the new partners and the partners that are already involved, which asks for more resources and preparation.

GUIDELINES FOR EXISTING PARTNERS:
• Keep them up-to-date on the partnering process and the selection of partners
• Maybe even involve them in the sales process, depending on whether it is beneficial. This depends on the partner and whether they give Accenture room to lead in the sales process.
• Send them at least a weekly update
• Try to spot potential partners that do not fit the profile

GUIDELINES FOR NEW PARTNERS
• Convince them of the concept and the added value for their business
• Explain the ecosystem concept and what is expected of them
• Introduce them to the existing partners

PARTNER PHASE PROCESS:
1. Determine the profiles needed for the consortium
2. Perform a market analysis to distill potential partners
3. Formulate a sales plan in collaboration with the client account lead
   A. How are you going to approach them?
   B. What is the current relationship with them?
   C. What are their needs and desires?
   D. How would you build up your sales pitch?
   E. What elements would you stress during the pitch?
4. Reach out to the partner
5. Pitch the concept
6. Conduct sales negotiations
7. Sign agreement
8. Introduce the new partners to the existing ones

BOTTLENECKS
• Existing partners do not agree with the new selection of partners and exit the agreement
• New partners do not feel committed and thereby cause a misalignment in the ecosystem which might result in delays or conflicts

ORCHESTRATION TYPE
If the ecosystem is complete, a dominating orchestration type is preferred as it will speed up the process. When new partners need to enter the consortium, it is crucial to stick to a consensus-based type as a lot of expectations need to be managed and the different levels of involvement need to be overcome.
CONSORTIUM GOVERNANCE

GOAL: To set the standards for the ecosystem and to get all partners aligned

This phase of the ecosystem adoption process has some steps of its own. Which will be explained next.

KICK-OFF MEETING
Firstly, an official kick-off meeting in which the vision, planning, cost & investment management, roles & responsibilities and workflow are discussed. This kick-off will be a session of two hours and needs to take place at a neutral location. In this meeting it is crucial to get everyone aligned and motivated. That could be achieved by making the partners owner of certain agenda points or by applying a meeting approach that is more interactive or which will spark discussion. It is very important to facilitate this meeting well, so that all the partners feel heard and are involved in the discussion of each agenda point. As this meeting can be very energy-consuming, it is good to take multiple breaks.

Another way to make all the partners motivated is by applying a more playful way to come to agreements, for this design thinking methods can be used.

Orchestration: Consensus-based type of orchestration

MEMBERSHIP & REGULATION MEETING
During this second meeting some other important membership agreements should be made, these include: member enrolment, membership revocation policy, discontinuing membership and breach management. Furthermore, this meeting will discuss the following regulation related topics: data governance, risk management, regulation compliance and Audit verification. The orchestrator should prepare the partners for this meeting by sending a document which proposes a certain stance on these topics. That way, partners can form an opinion on beforehand which will smoothen the process.

Orchestration: “the general type”

FINANCE MEETING
The last meeting in this phase will focus on the financial elements of a consortium, these include: financial incentives, operating incentives, regulatory incentives, the revenue model (if not already discussed during the ecosystem design sprint) and fines and penalties.

Orchestration: ‘the general type’

GUIDELINES FOR THIS PHASE:

• Often this is the phase in which the partners disagree. Tensions might emerge, why it is crucial to manage commitment and agreement of the partners well. This can be done by strictly involving them.

• It is wise to involve a regulator during the second meeting as well

BOTTLENECKS
• As mentioned before, a bottleneck in this phase could be that the partners cannot come to an agreement. It helps to prepare a document that suggests certain choices based on evidence.

• The second bottleneck in this phase is the amount of time it will possibly take to finish.
GOAL: **Determine who is going to build the technical implementation of the concept**

During this phase of the ecosystem adoption process, the request for proposal is written for the technical implementation of the concept. This involves a meeting in which the partners determine the requirements for the technical implementation and write the actual RFP. Then the RFP parties will work on the RFP for four weeks and based on the outcome and the (dis)advantages of the used protocol a party is chosen that will build the technical implementation of the concept.

**TECH REQUIREMENTS MEETING**

During this meeting the ecosystem partners will determine the requirements for the technical implementation of the concept. This needs to be discussed in detail, to make sure every partner is aligned. This is crucial because during the RFP-weeks, the ecosystem partners should form a collective instead of several companies with all a different opinion.

**Orchestration:** "general type"

**RFP-WEEKS**

As mentioned above, these weeks involve building prototypes of the technical implementation by potential parties. At the end of these weeks a party is chosen to do the technical implementation. Within these weeks it is very important that the ecosystem partners collaborate closely and recognise each other as one initiative? This will benefit the decision-making process at the end of these weeks. A more consensus-based orchestration type is more suited in this phase.

**Orchestration:** Consensus-based type

**BOTTLENECKS**

A bottleneck in this phase could be that partners prefer different protocols as they might have invested in these technologies already. This might cause conflict during the RFP.

**Orchestration:** "general type"
WORKING GROUPS PHASE

GOAL: Determine who is going to build the technical implementation of the concept

In this phase of the ecosystem adoption process, four workgroups are created to speed up the process. In each of these four workgroups, all ecosystem partners are represented to increase the commitment and involvement. The four workgroups are: technology building, legal considerations, customer experience and separate entity governance. In all these workgroups, the orchestration type is the ‘general type’, unless specified otherwise below.

TECHNOLOGY BUILDING
In this workgroup, the technical implementation of the concept is created. This will be done mostly by the party that won the RFP. However, all the other partners of the ecosystem, should come together occasionally to check up on the progress and to make technical decisions.

LEGAL CONSIDERATIONS
This working group, elaborates on the legal considerations for all of the separate companies involved in the ecosystem.

CUSTOMER EXPERIENCE
As the relationship with the customer might differ per ecosystem partner, it is very important to design a new way to approach, maintain and sell to your customer. Furthermore, the overall user experience (UX) and User interface (UI) of the solution needs represent the quality that is desired by all the partners in the ecosystem.

SEPARATE ENTITY GOVERNANCE
This working group focuses on enabling the creation of a separate entity for when the product/service is ready. A lot of new governance agreements have to be made that all partners have to agree with. It is important to stick to a consensus-based orchestration type, as commitment and agreement are crucial for the success of the separate entity creation.

BOTTLENECKS:
• People from the involved companies do not feel involved in the other workgroups as they are personally involved in a different group. This problem could be overcome by forcing the groups to regularly update the other groups on their progress.
• Another bottleneck that could arise is that other people might develop an opinion about an aspect that is discussed in a group where he is personally not involved in. This could be overcome by letting them talk to another person from the same company who is involved in the workgroup.
SEPERATE COMPANY
FINAL PRODUCT & MARKET LAUNCH

GOAL: Guide a stable transition into the new separate company to finish the product and assist the launch to market

In this phase it is crucial that the ecosystem is guided properly. It will undergo a critical transition from several companies that work together towards one separate company. This does not only ask for a different mindset, it will also mark an important phase in the ecosystem.

SHAREHOLDER MANAGEMENT
During this phase the partners must decide who is going to govern the new entity and who is going to be positioned in the board. Most of the time this will be the people who were already intensively involved in the other ecosystem phases.

For an orchestrator it is important to understand the tensions that will arise from deciding this organisational structure. Here it is crucial that the orchestrator tries to understand everyone's desires and manages tensions between partners.

Furthermore, it is important to think about the fact whether the orchestrator will be a shareholder as well. This will complicate the process into the separate company as the 'mediator' role will be done by someone who has a stake in the outcome.

BOTTLENECKS:
• Besides the bottleneck discussed above, it is also important to think about the physical location of the separate company, it is preferred to be a neutral location between the shareholder companies.

FINAL PRODUCT
When the separate company is established and active, the product will be finished internally. From this moment on, the orchestrator will have a less dominant role as a board has been established in the new company.

MARKET LAUNCH
The way to launch the product to market really depends on the product itself. It can be wise to do it step by step, by for example first adopting it with one shareholder company and then extending it. On the other hand, it could also be beneficial to launch the product immediately with all shareholders to gain attention and to show the benefit of the product.
APPENDIX H

Business plan

MAESTRA
Cross-sector ecosystem orchestration service

Business plan

EXECUTIVE SUMMARY

CONTEXT

- Ecosystem innovation is very promising: 30% of the gross world product in 2025 will be generated by ecosystems.
- Cross-sector ecosystems are promising as it opens up possibilities for disruptive innovation.

PROPOSITION

- This document is a business proposal for the board of Accenture NL and contains a detailed approach on how to tackle cross-sector ecosystem orchestration to create a lasting impact for our clients, society and the environment.

GLOSSARY

- ECOSYSTEMS: A network of different types of companies, with different relations, that combine individual resources and offerings to create a new valuable solution for the customer, operating from a platform.
- CROSS-SECTOR: Cross-sector refers to solutions that involve multiple sectors. Sectors in this document are defined as subsets of the global economy focusing on a specific area of business (examples: food sector, financial services sector, energy sector).
- SINGLE INDUSTRY: Single-industry refers to solutions that involve players from one industry. Industries in this document are defined as subsets of sectors (examples: financial services sector, insurance, banking).
- OPEN BANKING: Open banking is a financial services term as part of financial technology that refers to the use of open APIs that enable third-party developers to build applications and services around the financial institution.
- INTERNET OF THINGS (IoT): The interconnection via the internet of computing devices embedded in everyday objects, enabling them to send and receive data.
- ORCHESTRATION: The capability to purposefully build and manage inter-firm innovation networks.
- VALUE AREA: The intersection of a trend, technology and customer need.
INTRODUCTION

“TO INNOVATE, YOU NEED TO COLLABORATE. TO MAKE IMPACT, YOU NEED MULTIPLE SECTORS. TO DO BOTH, YOU NEED ACCENTURE”

-JOLENTHE JANSEN

INTRODUCTION | Contributors

Jolenthe Janssen
Maxime Lubbers
Vincent McLeese
Maartje Leopold
Stefan van Alen
Harald Timmer

INTRODUCTION | Company Description

We provide end-to-end services for clients across our five businesses.

Accenture is a consultancy firm with offices in 56 countries. Accenture is operating in 45 industries across 13 industry groups.
INTRODUCTION | Historical facts

- Net revenue U.S. $27 billion
- 350,000 personnel
- 50 delivery centers in Global Delivery Network
- Decade of tremendous growth
- Anderson Consulting (now Accenture) formally established
- Formalized Business Integration services
- Established Accenture Technology Labs, Palo Alto, California
- Arthur Andersen gets over 100,000 professionals
- Formally named Accenture (from Andersen Consulting)
- Listed on New York Stock Exchange under ACN
- Net Revenue U.S. $2.3 billion
- Over 18,000 personnel
- Net Revenue U.S. $2.3 billion
- Over 75,000 personnel
- Net Revenue U.S. $2.5 billion
- Over 175,000 personnel
- Net Revenue U.S. $9 billion
- 375,000 total employees
- 376,000 personnel in 50 DCs in Global Delivery Network

INTRODUCTION | Accenture innovation architecture

WE LEAD WITH INNOVATION IN EVERYTHING WE DO

ACCENTURE RESEARCH
- Shape emerging technologies
- Proven through applied R&D projects
- Build with speed and agility
- Demonstrate and reuse innovations

ACCENTURE VENTURES
- Investors through thought leadership

ACCENTURE LABS
- Research & Development

ACCENTURE STUDIOS
- Innovation Centers

ACCENTURE DELIVERY CENTERS
- Scale innovations across the business

INTRODUCTION | Performance Accenture global

WE DELIVERED ANOTHER YEAR OF OUTSTANDING FINANCIAL RESULTS IN FISCAL 2019, DRIVING SUPERIOR SHAREHOLDER VALUE.

$43.2B

REVENUES
An increase of 8.5% in local currency and 3% in US dollars from fiscal 2018

14.6%

OPERATING MARGINS
An expansion of 0.6 percentage points from fiscal 2018

$45.5B

NEW BOOKINGS
Broad-based and strong across the business, with approximately 60% in digital, cloud and security services

$7.36B

DILUTED EARNINGS PER SHARE
A 1% increase from fiscal 2018, after excluding $0.40 in charges related to tax law changes

$6.0B

FREE CASH FLOW
Defined as operating cash flow of $6.6 billion net of property and equipment additions of $694 million

$4.6B

CASH RETURNED TO SHAREHOLDERS
Defined as cash dividends of $1.9 billion plus share repurchases of $2.7 billion

MARKET ANALYSIS
MARKET ANALYSIS | Client markets: general trends

There are several mega trends that impact our clients but also the way we do business. These trends are categorised in five larger themes: environmental, economic, technical, societal and political. This proposal links into multiple trends listed below (see circles), however the most important one is the change in partnership models.

MARKET ANALYSIS | Ecosystem: Cross-sector

Ecosystems are booming. As companies are forced to innovate at a more radical scale, cross-sector ecosystems start to emerge. Cross-sector ecosystems enable the creation of totally new services by combining capabilities from different sectors.

If an ecosystem appears within one industry, most of the time this will be focused on process optimisation or incremental innovation. Besides the potential to enable disruptive innovation, Cross-sector ecosystems also enable the creation of social and environmental impact.

MARKET ANALYSIS | Highlighted trend: Ecosystems

As visualized in the trends on the previous slide, the speed of innovation is increasing. Customers are asking for more transparency and better services and technology is forcing companies to recombine themselves. Companies cannot deal with these challenges alone: they have to collaborate. It is either because they do not possess the right knowledge or they will not be able to bring along change without a large market adoption.

To come back to the most important trend: partnership models. Ecosystems are networks of different types of companies that combine individual resources and offerings to create a new valuable solution for the customer. These networks make the boundaries of sectors blander. Companies are starting to offer services that used to be outside their own industry context. This not only benefits the customer with an improved customer experience but it could also create new revenue streams for businesses.

Ecosystems will account for 30% of the gross world product by 2025

MARKET ANALYSIS | Ecosystem: Cross-sector potential

The term cross-sector ecosystems is still very broad. This is because it does not have a defined sector boundary. Furthermore, possibilities are enormous. Themes which open up possibilities for cross-sector ecosystems are open banking, smart cities or Internet of Things. Each of these themes have an enormous growth forecast.

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MARKET ANALYSIS | Conclusion

Cross-sector ecosystems have a high market potential

MARKET ANALYSIS | Cross-sector ecosystem barriers

Even though ecosystems are seen as a big part of how businesses operate in the future, there are some barriers that companies are facing when adopting an ecosystem. These aspects were concluded from an Accenture study focusing on the adoption process of ecosystems with a focus on Distributed Ledger Technology ecosystems.

1. Ecosystem collaboration is difficult: lack of trust / commitment
2. Processes go very slow: many opinions, lack technical expertise
3. Lack of neutral party: expectation management, facilitation
4. Orchestration is complex: conflict current portfolio, risky, organisation is not ready
5. Cross-sector ideation: no direct focus as network is missing

INTROSPECTIVE | What is Accenture already doing?

Accenture is currently offering ecosystem support in several departments:

- **Accenture Strategy**
- **Accenture Consulting**
- **Accenture Digital**
- **Accenture Technology**
- **Accenture Operations**

**ECOSYSTEM STRATEGY**

**ECOSYSTEM FACILITATION**

**TECHNICAL IMPLEMENTATION**
INTROSPECTIVE | Innovation architecture

Accenture is a frontrunner for innovation. The innovation architecture shows the different aspects of innovation that are tackled. These are divisions are mostly focused on practical client innovation.

This matrix provides an overview of where each of the divisions is focusing on. Accenture research does focus on providing industry insights. However, as can be seen, some of the elements focus on cross-sector innovation which can be applied in practice.

INTROSPECTIVE | What is missing?

IN ORDER TO TAP INTO THE POTENTIAL OF CROSS-SECTOR ECOSYSTEMS SOME ASPECTS ARE MISSING

Accenture is structured in a way that does not allow for cross-sector consulting. This complicates positioning oneself in this new era.

As Accenture aims to be a frontrunner in innovation, cross-sector ideation, conceptualisation and prototyping should be part of the innovation architecture.

SERVICE DESCRIPTION

SERVICE DESCRIPTION | Problem summary

REGULATION

CUSTOMER DEMAND

NEW TECH

DIFFERENT WAYS TO INNOVATE

COLLABORATION

ECOSYSTEM TREND

1 INDUSTRY

CROSS-SECTOR

WHY

- Need for radical new services
- New revenue streams
- Social & environmental impact

CLIENTS

Start with small concepts in 1 Industry

Ecosystem facilitation, Strategy & Technical implementation

Cross-sector orchestration is missing
SERVICE DESCRIPTION | Maestra

accenture

Maestra: Cross-sector ecosystem orchestration service

Spotting - Ideating - Orchestrating

For our clients who are looking for radical ways to reinvent themselves, Accenture offers cross-sector concepts by combining its sector knowledge, technical expertise and design skills. These concepts are further developed together with multiple clients in an ecosystem where Accenture orchestrates & facilitates the ecosystem process towards market launch. Maestra creates cross-sector collaboration to stimulate societal and environment impact.

SERVICE DESCRIPTION | Approach

1. SPOTTING OPPORTUNITIES
2. DESIGNING THE CONCEPT
3. TESTING THE CONCEPT
4. ORCHESTRATING THE ECOSYSTEM

SERVICE DESCRIPTION | Advantages

For clients
1. Opportunity to offer new kind of services to achieve competitive advantage and create new revenue streams
2. Less risk as Accenture takes the lead in the concept development
3. Accenture creates the neutral ground needed for adoption, expectation management and facilitation
4. Via Accenture's cross-sector network, clients can reach other sectors to partner with

For Accenture
1. Competitive advantage in upcoming ecosystem driven economy
2. Make Accenture the go-to-consultant for cross-sector ecosystems
3. Possibility to create social impact and radical innovation
4. Increase in the dependency on Accenture's service
5. Makes use of Accenture's global network of expertise, design skills & ability to deliver fast

Service description | Phase 1: Spotting opportunities

Description
The first phase of the service is focused on abstracting value areas for which a cross-sector ecosystem concept can be developed. This is done by creating an internal platform which gives an overview of what is happening around us in all the industries. Employees provide information on the specific project they are working on and their role & expertise. This has the benefit for them to find the right kind of people very easily. Furthermore, by creating this overview, opportunities or value areas can be discovered for cross-sector ecosystem ideation. A cross-sector ecosystem opportunity should contain the following aspects:
- Three or more industries involved
- Full customer need or desire
- A clear target market

Goal:
Create an overview of all Accenture projects so that employees can find the right expertise and this service will be able to distill value areas for phase 2.

Requirements:
- Provide an overview of Accenture projects & staffing
- Provide a search engine to find skill, expertise or roles
- Integrate smart algorithms for spotting opportunities

Continuous
Service description | Phase 2 Designing the concept

**Description**
The second phase of the service is about translating the opportunities into concepts. First extensive research needs to be conducted into the opportunity and its context. This research should cover potential market value, the industries that are involved and the customer group. Afterwards a co-creation ecosystem design sprint will be organized which will contain the following elements: analyzing the value area, scenario sketching, forming a shared vision, customer journey mapping, determining the business case, prototyping and testing.

During this design sprint, potential ecosystem partners will be involved. Furthermore, the session will be facilitated by a professional facilitator.

The deliverables of the design sprint will be: a value proposition, clear customer segments, business model canvas, ecosystem plan & a tested MVP.

**Goal:** Translate value area via co-creation into concrete concepts

**Requirements:**
- Involve potential ecosystem partners from all industries
- Deliver a concrete plan for execution

**2 weeks research + 1 week design sprint**

---

Service description | Phase 4 Orchestrating the ecosystem

**Description**
The fourth phase of the service is about recruiting the right partners for the ecosystem. In this phase the client account leads should be invited to reach out to potential ecosystem partners.

The aim of this phase is to sell the idea to the potential ecosystem partners. Furthermore, the goal is to make clients commit to participating in the ecosystem adoption process.

Besides the sales process, this phase also includes the total orchestration practice of ecosystems, including:
1. **Motivating the partners**
2. **Consolidating building trust and a common ground**
3. **Governing**
4. **Coordinating (division of tasks, process monitoring)**
5. **Leveraging, preparing for the next phase in the ecosystem**
6. **Goal setting & refining**

**Goal:** Sell the concept to the right ecosystem partners and orchestrate the ecosystem and bring to concept to market

**Requirements:**
- Involve client account leads
- Determine revenue model for specific ecosystem concept
- Involve regulators
- Develop a concrete ecosystem plan on before hand
- Determine separate entity requirements and governance

**6 months**

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Service description | Phase 3 Testing the concept

**Description**
In the third phase of the service, Accenture will further develop the concept into technical requirements and test it via a proof of concept. This is all done internally by tech experts from Accenture Technology.

The aim of this phase is to quickly test if the concept is feasible and viable. During this proof of concept, it is important to simulate as much as possible as it was implemented in real life.

Furthermore, the potential ecosystem partners which were involved in the design sprint, and are still enthusiastic, should be updated regularly as well.

**Goal:** Further develop and test the concept by a Proof of Concept

**Requirements:**
- Consult with potential ecosystem partners
- Simulate real life in Proof of Concept
- Involve regulators

**6-10 weeks**

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**Enable disruptive innovation for social and environmental impact**

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Service description | Vision

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SERVICE DESCRIPTION | Vision
The aim of this service is to contribute to the sustainable development goals identified by the United Nations as it gives more guidance to the ideation phase and because the service will thereby fit into an acknowledged impact framework.

SERVICE DESCRIPTION | Business model
This service can have several revenue models. Phase one is an ongoing and passive phase which does not cost much time of consultants. Phase two is a relatively short phase consisting of research and a co-creation design sprint. The expenses of the first two phases will be covered through the revenue generated in phase three and four.

Revenue generated in phase three will come from the participation fee that industry partners will pay for the initial proof of concept that will be developed by Accenture. In phase four, Accenture will be paid via a normal consultancy consulting fee and technical building hours.

When the product, platform or service is finished, Accenture can take care of the maintenance of the technical platform or infrastructure which will also generate revenue.

The exact revenue model that is being used depends highly on the type of ecosystem and the type of sectors that are involved.

SERVICE DESCRIPTION | Competition analysis
When analysing the competition on cross-sector ecosystem orchestration, the following aspects become clearer:

Acknowledging the ecosystem trend
Especially in trend reports published by these firms is a growing attention for ecosystems.

Structuring by sectors
All of these companies are structured by the sectors they consult in. There are services offered that are cross-sector but these are still offered to one client at the time.

Participate in smaller consortia
Most of the competition is active in consortia, either consulting or participating. KPMG for example offers a wide-range of D&I focused consortia support services.

No clear positioning or service offering
Especially when it comes to cross-sector ecosystem orchestration, none of the parties offer a clear service on their website.

No orchestration or ideation service
As consultants are not product companies, none of these companies are focusing on concept development for ecosystem.

Service description | Summary service

<table>
<thead>
<tr>
<th>Key partners</th>
<th>Key activities</th>
<th>Value proposition</th>
<th>Customer relationships</th>
<th>Customer segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry champions</td>
<td>Sporting value areas, Consensus trend research, Orchestrating ecosystems</td>
<td>Cross-sector ecosystem conceptualisation &amp; orchestration</td>
<td>Client account leads</td>
<td>Companies that want to reinvent themselves</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key resources</th>
<th>Internal platform</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Channels</td>
<td>Face to face Communication platform</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost structure</th>
<th>Revenue streams</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting hours</td>
<td>% of participation fee</td>
</tr>
<tr>
<td>Idea creation hours</td>
<td>Consulting fee</td>
</tr>
<tr>
<td>Office rent</td>
<td>Maintenance of the platform</td>
</tr>
<tr>
<td>Supplies</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
</tr>
</tbody>
</table>

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Service description | Challenges

1. Motivate employees to use internal platform
   As the internal platform is the first step in the process of the service, it is crucial to motivate employees to use the internal platform. Without the information on that platform, it is impossible to spot the right industry trends.

2. Make clients shift from industry-thinking to cross-sector thinking
   Clients are not used to working together with other sectors. The mindset shift that is required is far from their current way of working. This could create a potential challenge for the team.

3. Prove business value of concepts
   One of the most important elements that makes partners commit to the ecosystem is the business value it will bring to their own company. However, this is hard to prove early in the process. This could potentially create a problem.

ORGANISATIONAL PLAN | Structure

ORGANISATIONAL PLAN | Team composition (H1)

- Project lead (3)
- Legal consultant (1)
- Senior manager (1)
- Designer (1)
- Strategist (2)
- Technology Builder (*)
- Research lead (2)
- Workshop facilitator (1)

*Flexible amount of people depending on the length and type of products.
### ORGANISATIONAL PLAN | Team composition (Horizon 1)

<table>
<thead>
<tr>
<th>ROLE</th>
<th>Responsabilities</th>
<th>FTE</th>
<th>LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project lead</td>
<td>- Project Management</td>
<td>3</td>
<td>CONSULTANT</td>
</tr>
<tr>
<td></td>
<td>- Ecosystem Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategist</td>
<td>- Formulating growth strategy for the ecosystem</td>
<td>2</td>
<td>CONSULTANT/</td>
</tr>
<tr>
<td></td>
<td>- Value Case spotting via internal platform</td>
<td></td>
<td>MANAGER</td>
</tr>
<tr>
<td>Legal consultant</td>
<td>- Handling legal considerations of concept</td>
<td>1</td>
<td>CONSULTANT</td>
</tr>
<tr>
<td></td>
<td>- Handling legal aspects among clients</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Designer</td>
<td>- Conceptual storytelling</td>
<td>2</td>
<td>JUNIOR/MEDIOR</td>
</tr>
<tr>
<td>Workshop facilitator</td>
<td>- Visualising data for presentations, shows or others</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Prepare phase 3 design sprint</td>
<td>1</td>
<td>MEDIOR</td>
</tr>
<tr>
<td></td>
<td>- Facilitate design sprint</td>
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<td></td>
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<tr>
<td>Research lead</td>
<td>- Conduct thorough research into value areas</td>
<td>2</td>
<td>ANALYST</td>
</tr>
<tr>
<td></td>
<td>- Pioneer additional analysis for concept creation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior manager</td>
<td>- Supervise the team</td>
<td>1</td>
<td>SENIOR MANAGER</td>
</tr>
<tr>
<td></td>
<td>- Maintain client relationships</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Financials | Forecast

For more information please contact: jolen-the-janssen@live.nl
**ROADMAP | Introduction**

A roadmap has been developed to create a smooth transition into the new way of working that the service is proposing. The roadmap consists of three horizons, all focusing on a different theme. Furthermore, the roadmap illustrates several focus areas.

The following slides will go into detail on each of the categories in the roadmap.

---

**ROADMAP | Horizons**

1. **ECOSYSTEM AWARENESS**
   - 2021-2022
   - Supporting the transition to a circular economy
   - 2023-2024
   - Focusing on creating ecosystem awareness internally and externally

2. **ECOSYSTEM EXPANSION**
   - 2021-2022
   - Signs of the transition towards cross-sector solutions
   - 2023-2024
   - Creating social and environmental impact across sector ecosystems

3. **ECOSYSTEM IMPACT**
   - 2021-2022
   - The shift towards cross-sector solutions
   - 2023-2024
   - The focus moves to trend-driven ecosystem solutions

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**ROADMAP | Focus areas**

1. **Regulatory-driven Industry solutions**
   - The service starts with focusing on urgent regulatory matters. Accenture will develop solutions in the form of building blocks that can be offered to multiple clients.

2. **Trend-driven ecosystem solutions**
   - Trend-driven ecosystem solutions come from a trend or customer demand opportunities which can be tackled easier when collaborating with others.

3. **Impact-driven cross-sector solutions**
   - Impact-driven ecosystem solutions are cross-sector products and services focusing on making an impact in the world.

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**ROADMAP | Business model**

1. **Regulatory-driven Industry solutions**
   - Developing solutions to help clients with regulatory issues
   - Maintenance of platform

2. **Trend-driven ecosystem solutions**
   - Maintenance of platform
   - Participation fees

3. **Impact-driven cross-sector solutions**
   - Participation fees
   - Consultancy services
   - Maintenance of platform

---

The main revenue stream of this focus area is through selling this platform, service or product to multiple clients with a high level of customization. Furthermore, within this focus area, Accenture is the logical partner to do the maintenance of the platform, or service as well.

Trend-driven ecosystem solutions work with a consortium and can therefore charge a consultancy fee. Also, technical building hours can be sold as well. Just like the regulatory driven ecosystem solutions, Accenture can be the party to maintain the product, platform or service.

When moving towards more cross-sector ecosystems, Accenture can charge a participatory fee. That covers the costs for the initial Proof of concept.
The approach to service depends on the focus area. For the regulatory-driven ecosystem solutions, phase two and three are applicable as the internal platform is not useful for a single end-user focus. When an industry focus is applied, the solutions can be sold to multiple clients, a consortium (phase four) is not applicable either. Trend-driven ecosystem solutions do have a consortium phase just like impact-driven ecosystem solutions. When solutions are sold to multiple clients, the internal platform becomes more important.

Besides blockchain, the focus of the first horizon will also be on IoT. This technology has a lot of potential for ecosystems as it is almost connected to every industry present in the Accenture tech trends 2018 report. As these trends are most of the time two years ahead of the market, this technology will be good to be looking at in 2020.
CONCLUSION

This document provided a detailed approach on how to orchestrate cross-sector ecosystems. Cross-sector ecosystems have an enormous market potential. However, companies are struggling with the implementation. The solution for this is Maestra:

- **Maestra offers cross-sector concepts by combining its sector knowledge, technical expertise and design skills.**
- **These concepts are further developed together with multiple clients in an ecosystem where Maestra orchestrates & facilitates the ecosystem process towards market launch**
- **This service creates cross-sector collaboration to stimulate societal and environment impact**

In order to make this service a success, several additional elements were highlighted: financial forecast, a roadmap and a sales pipeline.