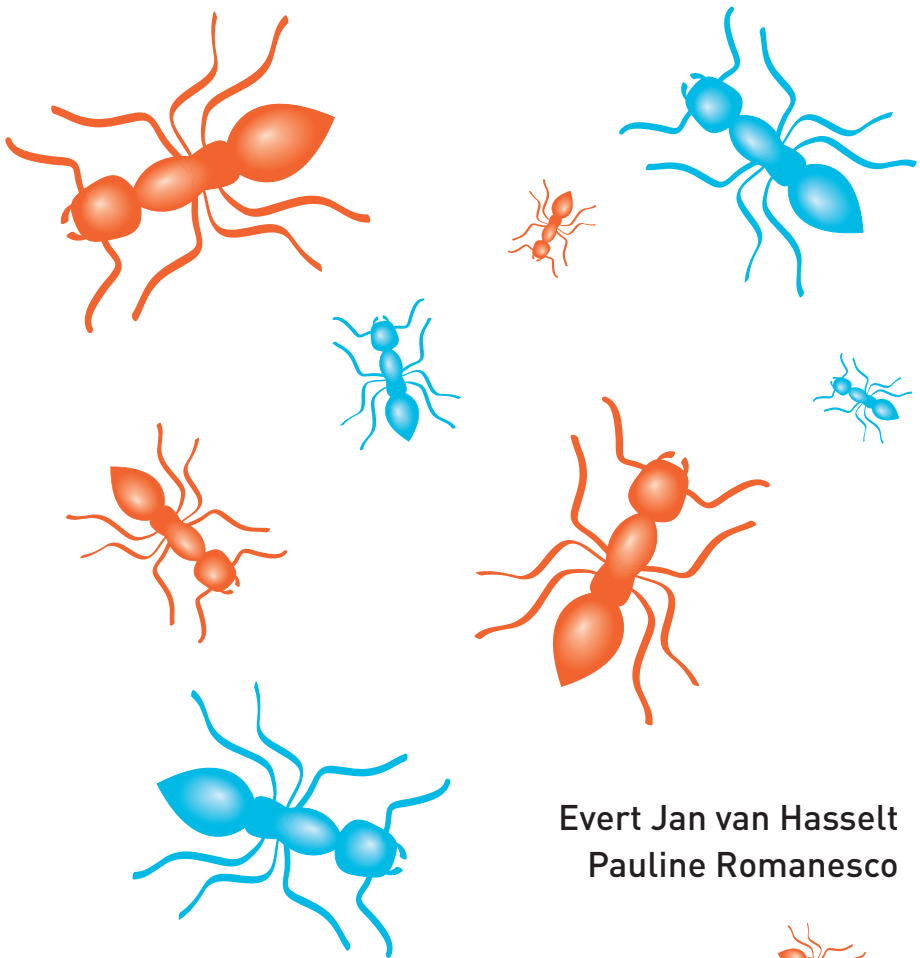
ECOSYSTEM FOR BUSINESS

— From Efficiency to Effectiveness —



Evert Jan van Hasselt
Pauline Romanesco

An ant is a relatively dumb creature. But many ants together form a very clever whole. A human being is a rather intelligent creature. However, if many humans are put together, a very foolish whole is often the result!

In *Ecosystem for Business* Evert Jan van Hasselt and Pauline Romanesco show what organizations can learn from ant colonies. A completely new organizational concept is the result, with cooperation based on co-creation, self organization and mutual trust.

"The authors have succeeded in giving a concise and clear explanation of the reasons why and the ways in which a different form of organizing and working is necessary and possible. It is a fine contribution to the great transition we are facing."

Herman Wijffels
Professor of Sustainability and Societal Change,
former Executive Director at the World Bank

"The one thing most desperately needed in business today is innovation, and van Hasselt and Romanesco show us how to get beyond offering, capability, and even enterprise innovation to innovate in the ecosystems we create. Embrace their principles — my favorite is "asynchronous reciprocity" — to create an organization able to adapt to the times we live in, within an ever-changing ecosystem."

B. Joseph Pine II
co-author, The Experience Economy
and Infinite Possibility

9 789081 693585 >

a 3.0 society publication

Ecosystem for Business

Published by Society 3.0 Foundation

ISBN
978-90-816935-8-5

www.ecosystemforbusiness.com

Ecosystem for Business

Evert Jan van Hasselt and **Pauline Romanesco**

September 2013

Think about falling in love with somebody efficiently.
Think about Mozart or Van Gogh being efficient.
Everything in life which is really nice is not efficient.
Why do you want to be efficient, when nature is not
efficient but amazingly effective?

Michael Braungart
Cradle2Cradle

Contents

INTRODUCTION

An ant is a relatively dumb creature. But many ants together form a very clever whole. A human being is a rather intelligent creature. However, if many humans are put together, a very foolish whole is often the result!

We are living in an era in which our – efficiency-driven – society is increasingly getting stuck. We are moving from one crisis to another. Therefore we will somehow have to become more effective.

An ant colony operates in an amazingly effective way! The cooperation of ants is completely different. They do not use a business-balanced scorecard and top-down management is a concept unknown to them.

Our present businesses can learn a lot from ant colonies. Cooperation will be much more organic in what could be called a learning network. It shows all the characteristics of an ecosystem. An ecosystem for business.

1

THE EFFICIENCY MACHINE IS GOING OFF THE ROAD

Ever since the introduction of mass production business has primarily been focusing on efficiency. During the past century this strategy has produced enormous wealth, but this system is now causing an increasing number of problems. Efficiency has come to the end of its lifecycle.

1.1 THE EFFICIENCY MACHINE

The way in which our businesses operate dates from the beginning of the twentieth century. Henry Ford was looking for an affordable production method in order to enable the general public to buy a car. To that end he invented the assembly line, which caused a revolution in business.

With the introduction of mass production businesses started to compete with each other primarily in the field of efficiency. The more efficient a business operates, the lower the production costs are and the more competitive the products.

During the past one hundred years this system has continuously been optimized, changing businesses into efficiency machines. Efficiency comes first, everything else has become of secondary importance.

1.2 OPERATING THE EFFICIENCY MACHINE

With the creation of the efficiency machine professional management came into being. In previous times businesses were managed on a fairly ad-hoc basis, but this method of operation turned out to be rather unsuitable for obtaining higher efficiency levels.

The efficiency machine can flourish because of top-down management, with several management layers operating at different levels of abstraction. Top management determines the strategy, middle management is responsible for the operation and the shop floor carries out the work.

At the same time ever advancing forms of specialization occur in businesses. Some managers deal with financial affairs, others are concerned with commercial matters and a yet another type of manager is responsible for smooth operations. Specialization results in better performances of company units. As a consequence, however, the number of people having an overview of the entire situation is gradually diminishing.

1.3 THE OPTIMUM HAS BEEN REACHED

We have now got to the point that the efficiency machine has reached its optimum. Every possible technique to increase efficiency has been applied. Further efficiency improvements can hardly be achieved.

Yet businesses still feel the pressure to take efficiency measures. Share holders keep expecting better returns every year and are not concerned with any optimum reached. How can a company offer more returns, if optimization is no longer possible?

The only solution businesses can resort to now is sneakily offering less value for the same amount of money. An increasing number of examples can be found in daily life. Shampoo contains fewer active ingredients than it used to do. Sugar bags contain less sugar. At the same time businesses make use of highly sophisticated marketing techniques to obscure this development.

1.4 THE COST-QUALITY PARADOX

An inherent aspect of the efficiency machine is the primary focus on costs. Although quality is considered important, it remains secondary to costs. Yet a major weakness of the efficiency machine is revealed here.

"If you focus on costs, the quality will go down. If you focus on quality, the costs will go down." This statement by Willem van Oppen, former Chief Procurement Officer (CPO) at KPN, has an element of truth in it.

A focus on costs generally involves short-term solutions. Cost reduction usually has an effect on quality. These effects often become visible at a later stage. Therefore it is not clear at the moment of decision making that a cost reduction will eventually lead to an increase in costs.

A focus on quality has the opposite effect. At the beginning an increase in costs may be the result. Saving costs is not the immediate effect in any case. However, quality improvement will eventually almost always lead to cost reduction. The ever growing pressure on the efficiency machine to achieve that last bit of optimization produces a

short-term focus resulting in the preference for cost reduction over quality improvement. Penny wise, pound foolish, as the saying goes.

1.5 REGULATION CRAMP

Management professionalization causes the distance between decision-making and the shop floor, where the actual work is carried out, to increase. Senior management gradually loses sight of the shop floor, the shop floor gradually loses its connection with the company's strategy.

In order to have everyone at their level act in line with the organization's policy, rules and procedures are formulated. All employees are expected to act in agreement with these rules and procedures. If anything goes wrong, the rules are adjusted to prevent it from happening again.

Rules and procedures are also formulated at sector level and in national legislation, so that organizations will keep functioning together in an orderly way.

Now that the efficiency machine has reached its optimum and companies have more difficulty meeting the shareholders' demands for higher returns, they are becoming more creative. As a result of increased specialization as well as the larger distance between decision-making and concrete activities excesses more often occur. The consequences can no longer be predicted.

A good example is the US mortgage crisis in 2007, leading up to the financial crisis of 2008. Trade in products derived from mortgages had developed on a large scale. The quality of those mortgages turned out to be bad, many house owners proved to be unable to meet their payment obligations. Since these mortgages were included in complex financial products, the problem of defaulting on loans could not directly be detected at the level of massive trading. We now know the consequences.

The approach to solving these problems follows familiar lines: more rules, making it all even more complex and obscure. Companies are forced to look for even more creative solutions, as a result of which

the next crisis is only a matter of time. At the same time businesses are increasingly losing the connection with their initial aim: supporting people in their daily lives.

1.6 FROM EFFICIENCY TO EFFECTIVENESS

Efficiency requires simplicity. If situations are simple, it is easy to deal with them efficiently. However, in recent years the world around us has become more and more complex. This fact causes problems in the search for efficiency.

Thus, the efficiency machine has outlived its usefulness. We need to find our way back to effectiveness and this involves taking a partial leave of the efficiency machine and its focus.

We should look for other ways to organize, so that we are better equipped to deal with the complexity we are faced with. Nature can be our inspiration in this, since nature is often amazingly capable of handling complex matters in a simple way.

A fine example is the ant colony. The inner workings of an ant colony are incredibly simple and clear. Yet an ant colony manages to defend itself against a multitude of external threats. That is why we will look at the functioning of an ant colony in the next chapter.

2
THE ANT COLONY

An ant colony forms a very powerful organization. Thousands of ants work hard and effectively in good cooperation. Together they manage to cope with all kinds of threats, whereas a single ant would stand no chance. Yet they do not use a top-down command structure. Then how do ants cooperate in a colony?

2.1 THE BIRTH OF AN ANT COLONY

An new ant colony is established by a queen and several males leaving an existing colony. To this end they are equipped with wings. During their flight to a new nesting site the males mate with the queen and die shortly afterwards. Their role in life is fulfilled.

The queen is on her own now and loses her wings. She starts digging a hole and remains in the ground for the rest of her life. This is the start of a new colony which will last for 15 to 20 years.

2.2 THE LIFECYCLE OF AN ANT COLONy

As soon as the queen has dug herself a tunnel and chamber in the ground, she starts laying eggs, thus initiating the organization of a new ant colony. The new ants start expanding the nest and go in search of food.

In the early years the colony expands constantly and the ant population grows. After about five years, when the colony consists of 10,000 ants, stabilization sets in.

Except for the queen ants live for about a year. An ant colony completely depends on the queen, spending her whole life laying eggs. When after 15 to 20 years the queen dies, the ant colony ceases to exist.

2.3 TASK ALLOCATION AMONG ANTS

In a colony ants have different roles. Depending on these roles different tasks are carried out:

- *The queen*
  The queen is responsible for the production of new ants. She with draws deep into the nest and spends all her life laying tens of thousands of eggs which will develop into new ants.
- *Nest maintenance workers*
  Nest maintenance workers maintain the nest. They build new rooms and store food that has been collected by other ants. They never leave the nest.
- *Midden workers*
  Midden workers transport the rubbish produced in the nest to

specific remote locations in the colony. They do not leave the nest either.

- *Patrollers*
  Patrollers leave the nest to look for new food sites. They return to the colony without bringing any food themselves.
- *Foragers*
  Foragers collect the food found by the patrollers and carry it to the colony, where it is distributed by the nest maintenance workers.

2.4 THE BIG HOSTILE OUTSIDE WORLD

Thus only patrollers and foragers leave the nest, but not for long periods of time. Since ants need food at relatively short intervals and only take food in the colony, they remain outside the nest for 20 minutes at the most. Therefore the area where food can be found is limited.

At the beginning of the day the patrollers leave the nest in search of food. When they have found a new food source, they return to the colony. The foragers will then gather the food and take it to the nest.

2.5 AN ANT'S CAREER

Ants start their working career in the colony as nest maintenance workers and midden workers. After some time their role changes. Midden workers may turn into foragers. Nest maintenance workers may make that same career move, but a number of them will change into patrollers first. Patrollers may eventually also become foragers. This is the highest position possible. An ant never returns to a previous role.

2.6 MARCHING ORDERS

Although every ant colony has a queen, there is no central authority. Deeply hidden inside the colony the queen produces new ants and is unaware of what happens outside her room.

Patrollers and foragers play an important part in the food supply of the entire ant colony. Yet there is no command structure. Every ant is autonomous and will not be ordered about. No marching orders are given.

2.7 AN ADAPTIVE ORGANIZATION

If there is no central command structure, what is the reason why ants cooperate so effectively? How does each ant know what to do?

Ants recognize each other through specific scents by which the separate ant roles are determined. Depending on its own role a single ant will base its behavior on the number of ants with a specific role it encounters. A forager will leave the nest when a considerable number of patrollers have returned to the colony. After all, this is a sign that food has been found. The forager will then follow the scent trail to the food source.

This mechanism – ants reacting to certain numbers of other ants – proves to be very powerful and adaptive. If much food is found, many patrollers will return to the colony in a short space of time. This causes more foragers to go and collect the food. If a smaller amount of food is found by the patrollers, a smaller number of foragers will go into action. In this way less ant energy will be wasted.

If there are not enough foragers, ants with other roles will change into foragers, so that sufficient ant power is permanently available to collect the food. In addition it is interesting to notice that on average half of the ant colony population is without work. They are ready to go into action, should any shortages in ant power occur. This combination of anticipating ants and a large reservoir of inactive ants causes the colony to be a mechanism with a hugely adaptive capacity.

2.8 EFFECTIVENESS VERSUS EFFICIENCY

The way in which an ant colony is organized and single ants cooperate is amazingly effective. The adaptive capacity is the reason why ant colonies can survive in various difficult and even extreme situations.

It remains to be seen whether this way of operating is efficient. The opposite is more likely, with about half of the ant population being inactive. One might expect that there is a more efficient way. However, more efficiency will have a negative impact on the effectiveness of the ant colony, thus endangering its existence!

2.9 WHAT CAN BE THE LESSON FOR HUMAN BEINGS?

In organizations people often go into action after receiving orders from their superiors. This puts enormous pressure on senior management which has to retain a comprehensive view.

In the case of uncomplicated activities, such as production processes involving assembly lines, no problems will arise, but in highly complex activities, as we will experience more often, this form of coordination is becoming a serious bottleneck.

Our current society needs more adaptive organizations. The ant colony may serve as a model. Just imagine an organization in which the members are highly autonomous, and are geared towards the behavior of others by interaction. This will result in an organization with a much larger adaptive capacity.

2.10 AN ECOSYSTEM

In this book a description will be given of an adaptive organization adopting the lessons learnt from ant colonies. Such an organization resembles an ecosystem which largely maintains itself and provides opportunities of value creation for its members, just like an ant colony is an independent ecosystem serving its own ant population.

The next chapters will describe the following:

- **Chapter 3** will deal with the various principles forming the components of an ecosystem.
- In **chapter 4** the construction of an ecosystem will be described.
- Chapter 5 will describe an existing example of an ecosystem for business.
- In **chapter 6** a description will be given of the approach to develop an ecosystem.
- Finally, **chapter 7** may give inspiration by showing some fields of application, in which an ecosystem can have additional value.

3

THE PRINCIPLES OF AN ECOSYSTEM FOR BUSINESS

If the ant colony is used as a source of inspiration for the cooperation between people, then what kind of organization will arise? What principles will play a central role in such an organization?

In this chapter we will explore the principles on which an ecosystem for business is based.

3.1 CO-CREATION

The ants in a colony cooperate in an effective way. This could be called a form of co-creation. Yet ants are not aware of cooperation, they all just carry out their own tasks. So what can we learn from them?

Co-creation has become a real hype word. Nowadays even the cooperation between two people in a department is regarded as co-creation. In former times this just used to be called cooperation.

Others talk about co-creation when business employees start cooperating with clients. Admittedly, in our increasingly institutionalized society it is fairy remarkable for employees of an organization to cooperate with their clients. But in our eyes it still remains cooperation. So why call it differently now?

By co-creation we mean a way of cooperation which can best be described as "working independently in an organized way". Participants are often completely unaware that they are cooperating. They are all doing their part, and they are doing so in a context which joins all the different activities. This results in a sum of activities which yields a specific value. The value of that sum exceeds the value of the separate parts.

This way of cooperation closely resembles the cooperation of ants in a colony. Although every ant carries out its own task, the structure uniting all the ants causes the ants to achieve more as a whole than all of them would be able to do separately.

By now various examples of this form of cooperation have emerged. A fine example of LEGO can be found in the text box. →

LEGO DESIGN BY ME

In 2005 LEGO launched its LEGO Factory. Consumers could make their own LEGO designs, upload them to the LEGO site and then buy the real models. A custom made box was filled with all the bricks needed for a particular design and then sent to the LEGO user's address.

In this example the LEGO user designs whatever s/he imagines on the computer at home. After receipt of the order a LEGO order picker sets to work with a bill of materials, puts the required bricks in a box, adds the automatically generated building instructions and then dispatches the box by post to the client.

In this case there is cooperation between the LEGO user and the order picker. They are both needed to produce the value of this example and their activities are coordinated. Yet neither of them is aware of their cooperation. They both do their own part. It is the website with the LEGO designer software in combination with the back office system at the LEGO distribution centre which connects these activities. That way the LEGO user and the order picker cooperate and create value which neither of them could have achieved on his or her own.

3.2 COMPLEXITY

Complexity has already been mentioned a number of times. What do we mean by complexity? What does it imply for society? And what is its use?

Before we go more deeply into the meaning of complexity and its effect on our society and on business, it is useful to consider the concept of complexity. The point is that there is an important difference between complex issues and complicated issues.

Here is an example of a complicated issue: In an amusement park you have walked into a maze and now it is up to you to find the shortest way out. In the case of a ingeniously designed maze it may take some time before you know the answer, but after some grave puzzling and maybe with the help of an expert you will reach one best answer.

Here is an example of a complex issue: again you are in an amusement park and you have been asked to develop the best attraction for 7-year-old children. You may puzzle as long as you like and you may ask twenty different experts, but there will never be one best answer to this question. Is the best attraction the one that children like best? Or the one that is sensible from an educational point of view? Or is it the attraction that requires the least investment?

Complex issues are issues for which there is not one best solution. They involve many different perspectives. In the society we have now arrived at, we are experiencing an increasing number of complex issues.

When the efficiency machine was still working properly, we mainly had to deal with complicated issues. Complicated issues require a totally different approach than complex issues. In het efficiency machine it was a matter of unraveling the complicated issue, locating the problem and replacing the broken part. It is with good reason that especially people with a strong analytic ability and rational approach were the leaders in those days. Solving problems required a linear analysis then.

Complex issues must be approached in a completely different way. This is where the complexity theory comes in. The complexity theory deals with the dynamics in networks and examines the way in which separate parts interact with each other, forming an inextricable whole. It involves examining the interaction at a micro level as well as the performance of the whole and the relation between these two.

Instead of a linear approach complex issues require a more holistic approach. Instead of focusing on the problem, attention is paid to where the energy can be found. The statement "The whole is more than the sum of its parts" applies well to complex issues.

This is exactly what happens in an ant colony. A single ant plays a small part, but a complete colony of ants forms an immensely intelligent whole. This phenomenon can also be found in other systems in nature, such as the well-known flocks of starlings.

At this moment our society is undergoing a paradigm shift. This means that various developments in our society are making it less and less easy to survive on the basis of existing systems and structures.

For now this concretely means that human beings will at a subconscious level become more and more holistic in their behavior. This is triggered among other things by the technological developments which influence our behavior with regard to the use of the Internet. Our existing organizational structures and systems have just not been adjusted yet. Upheaval, dissatisfaction and even huge damage may be the result.

As the example of Project X will show (see text box) we can also regard this paradigm shift – which feels as a threat to some people – as a new challenge full of opportunities. To that end we need to change our way of thinking and acting though.

Possibly one of the most difficult changes in behavior is the shift in focus, from problem to energy. The assembly line mode of thinking has focused our attention largely on what goes wrong and how it can be solved. A search for the weakest link.

Another important change in our thoughts and actions is our degree of flexibility and adaptability. In the past it was usual to draw up a strategic plan stating the aims for the next five years. On the basis of these aims the everyday activities were then established. As soon as we change our focus to 'where the energy can be found', we need to have the courage to leave the outlined plan. On the basis of previous years it cannot be predicted or analyzed where the energy of clients, employees and other stakeholders will be found next year. We must learn to fearlessly adopt small changes of course and to let ourselves partially be guided by what comes along. This way we will gain a tighter grip on the ever more complex world around us.

PROJECT X

A striking example of holistic behavior (a complex issue) which was suppressed with a linear problem-solving approach, is 'Project X in Haren'. Project X is known as one of the most frequently mentioned concepts of 2012 in The Netherlands. To an outsider Project X is only a Facebook party which got out of control. To us Project X proves, almost painfully, that our society as it is organized now, is at the end of its lifecycle.

Project X started as a mistake. A girl from the Dutch village of Haren put her birthday on Facebook and accidentally sent it as an open event instead of a private one. The mistake became a joke. The event was spread widely and unintended RSVPs flooded in. Soon 20,000 visitors were expected at the birthday party. And in the end the initially innocent Facebook mistake caused havoc worth several hundreds of thousands of euros. How could this innocent mistake get out of hand so enormously?

The municipality of Haren sensed that something was up. This multitude of revellers could not be handled. Thus the municipality widely issued a request to stay away, through all kinds of media. As a result of these widely spread request approximately 16 million people were informed about Project X in no time. The first huge Facebook party was a fact. No wonder it drew so much attention.

In its reaction the municipality of Haren focused on the problem. There will be too many people, and we will prevent this from happening with the help of all the media available. And if they do come, the riot police will be prepared.

What would have happened if the municipality of Haren had taken a more holistic approach, with a focus on the energy of the issue? Several catering entrepreneurs and entertainers offered to organize entertainment on the date of the planned Project X party. What would have happened if the munici-

pality had encouraged these entrepreneurs to find a site in Haren suitable for so many visitors? What would have happened if the municipality had dealt with all this free publicity in an adaptive way? If the adaptive attitude had been chosen, most people in the Netherlands would have wondered if Project X really was a Facebook mistake, or a terrific marketing stunt of the municipality of Haren.

We are convinced that had the municipality behaved more like ants in a colony, Project X would have been a fantastic event for the city marketing of Haren.

3.3 SELF ORGANIZATION AND THE EMERGENCE OF PATTERNS

In chapter 2 a detailed explanation of the cooperation of ants was given. Several researchers have investigated this phenomenon to acquire more knowledge about it. To a layman observing an ant colony it is all a matter of course, just like everything else in nature really. A tree grows automatically, with green leaves in summer, changing mostly to yellow and orange in autumn, and no leaves in winter. Nobody is worried about the seemingly dead appearance of the tree, because we know that in spring it will start growing again.

Have you ever marveled at the evenly rippled sandbanks on the beach at low tide? Or at the stripes of a zebra? Have you ever wondered why birds can fly in such beautiful flocks and fish can swim in such beautiful schools without colliding? There are many more examples of how everything in nature is created on the basis of self organization and self-organizing patterns.

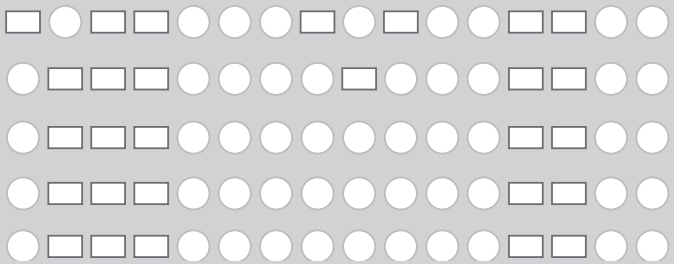
Human beings also live on the basis of patterns. Just look at your morning ritual. Or the way in which you towel yourself down after showering. Or how you get into your car every day. We have adopted small habits and patterns to make life easier. If you had to reflect on how to towel yourself down every day, or on the quickest way to get in that car, you would be exhausted before your day had even begun. Our

individual patterns, also known as mental models, help us to simplify our daily activities.

Similarly, we keep developing habits and patterns when we belong to a group. In our western society we shake our right hands on introducing ourselves. We drink a toast in the case of a celebration for example. These are mainly habits, unwritten rules telling us how to behave, just because the majority of the people is doing it this way.

SELF ORGANIZATION AMONG PRE-SCHOOL CHILDREN

The figure below represents a circle of pre-school children who may choose only one toy to play with on this particular afternoon. Only Lego (circles) or Pokemon (squares) can be chosen.



The figure can be read as follows: the upper row shows the first choices of the children. No interaction has taken place yet. The row is in fact a circle with the child on the outer left side sitting next to the child on the outer right side.

The second row represents the children's choices after one interaction has taken place. The children stick to their choice if at least one neighboring child has chosen the same toy, so that they can play together. If on both sides a different first choice was made, the child changes his or her mind. Child 9, for example, initially chose Lego, whereas his classmates on either side chose Pokemon. The second row reveals that child 9 has adjusted his choice and has changed to Pokemon.

→

The third row shows the choices of the children after another interaction. After having chosen the other toy child 9 returns to his original choice, because his neighbors also changed in the second round.

After the third round there are no further changes. The children have created their own stable situation.

It may sound contradictory, but we lost our organizational capabilities when business started to achieve efficiency. As has been shown in chapter 1 we then started planning, thinking ahead, analyzing, checking and in particular trusting our ratio. A close look at the emergence of patterns reveals, however, that intuition in particular proves to be of major importance.

We have not lost our intuition, our businesses just do not make use of it. Would it not be easier if clients intuitively made a choice in favor of you? Or if your employees would intuitively show the desired behavior?

Organizations with a minimum of patterns and structures developed by managers will achieve more happiness, more productiveness and more innovations in business. This is also much more in keeping with the example set by nature. These organizations are much more adaptive.

3.4 COINCIDENCE DOES EXIST

There is much debate about whether or not coincidence is an existing phenomenon. Some people are convinced that events just happen to occur at the same time. Others are certain that such events are orchestrated by a higher power. God. The cosmos. Whatever.

The answer does not really matter here. It is a fact that sometimes remarkable things happen which we have had no influence on as individuals. This occurrence of chance may provide us with chances. To

put it briefly, coincidence does occur to us individually, whether or not it is an orchestrated phenomenon. And by effectively making use of coincidence, we may bring about fine achievements.

BRILLIANT FAILURES

Professor Paul Iske is the founder of ABN-AMRO Dialogues House, the bank's innovation centre. One of its departments is the Institute of Brilliant Failures, where so-called brilliant failures are collected and revealed to the public.

A brilliant failure is a course which has been started with a specific aim, and fails to accomplish this initial goal but is unexpectedly successful in another way. This success may take the form of an important lesson to be learnt or an unexpected and completely different achievement. A well-known example of a different achievement is the development of Post-It , when glue had been processed which turned out to be insufficiently sticky. Another example is Viagra, which was originally developed as a heart medication. It proved to be failure, but revealed very interesting side effects!

Such failures show how coincidence can help us. The message Professor Iske wants to convey with his Institute of Brilliant Failures is that if you open your mind to such developments, a world of opportunities will reveal itself to you. His motto is: 'Dare to fail brilliantly!' You do not know in advance what will precisely open up to you, but if you are open your mind, you will be astonished at the opportunities coming your way.

It should be noticed that this goes completely against the logic of the efficiency machine, where everything is planned in advance. Surprises are undesirable, throwing spanners in the works of the efficiency machine. However, if you abandon this logic, you will open up to coincidence and have wonderful chances!

Has it ever happened to you that you meet someone for the first time and feel an immediate strong connection? By definition such instances provide new opportunities. By opening up to such chance meetings, by starting a conversation without fear and by exploring the possibilities lying behind these encounters, you will also find new opportunities.

We – the authors of this book – may serve as a good example. We met accidentally in a committee of the Renaissance Groep. We made further acquaintance outside the committee activities and discovered that we complemented each other excellently with regard to ideas and values. This resulted in the view we are sharing with you in this book. It also resulted in the establishment of Dolfijn Design Lab, by means of which we apply this view within organizations.

Let us look again at the way in which an ant colony operates, as described in chapter 2. Ants are completely open to accidental encounters. Their behavior is totally determined by them. The number of patrollers they meet at the nest entrance determines whether or not the foragers go and collect food. This way the ant colony creates its adaptive ability to survive. Dealing with coincidence or chance is a central element in ant activities, resulting in a highly effective system!

3.5 ASYNCHRONOUS RECIPROCITY

Everything is arranged within the efficiency machine. Besides the rules and procedures, referred to in chapter 1, all activities at the level of individual transactions are laid down in contracts. Thus every one knows what they have to do.

The disadvantage of this approach is that the power of coincidence is kept in control in every possible way. This is the very aim of all those arrangements. Coincidences pose a threat to efficiency. The previous paragraph showed however that coincidence can be a real source of innovation.

In this paragraph we will look at the acceptance of coincidence with regard to one specific principle: quid pro quo. A way of cooperation abandoning this principle is asynchronous reciprocity. This term was introduced by Ronald van den Hoff – founder of Seat2meet.com, de-

scribed in more detail in chapter 5, in his book Society 3.0:

ASYNCHRONOUS RECIPROCITY

The fact that when you give something away you will always receive something in return. It may not be received synchronously from the person to whom you gave that something, but it will in any case be done by someone in your value network.

Asynchronous reciprocity involves doing something for someone else without making arrangements about repayment. The idea is that if you do someone a service, you will eventually receive something in return. This may not happen at once, but it may happen later on. It may not come from the receiver, but it may come from someone else in the same network. This network is called the 'value network' or 'mesh'.

Asynchronous reciprocity has been used unintentionally for years in network meetings. Effective networkers prove to be masters at applying this principle! They help others apparently free of charge, but will get "paid" because others see their qualities and in turn will help them to move on. They only do not know in advance when this will happen and what the impact will be. Given the extent of their network, it is very likely that in terms of energy they will eventually receive more that what they have given.

3.6 THE VALUE OF TRUST

The concept of trust has been mentioned before. Trust is important in various situations. Do we trust to coincidence? Do we trust other people to do what is in our interest?

In the lives of ants trust does not play an explicit part. Ants are programmed to act in a specific way. In chapter 2 we saw that this is working in such a way that the ant activities are optimally interconnected. Trust might be regarded as an inherent characteristic of ants.

People are different in that respect. By nature they want explicit signs before trusting something or someone. This is not always necessary, however. Trust oils the wheels of an ecosystem for business. It is often said that back in the days, everything was better, for then people could trust each other. It is partly true.

In former times we used to live in relatively small communities. The world was much smaller. Everyone in the village knew each other, and at the most the people in the village nearby. Knowing each other meant that people knew who could be trusted or not.

That is why trust was a natural part of doing business. You knew what to expect from your business partner, because you knew him thoroughly. And you just did not do business with people who could obviously not be trusted. It was all very clear.

In the world developing with the efficiency machine most people no longer know each other. In this situation the foundation for trust disappeared. Therefore it was increasingly essential to look for an alternative basis for trust.

The solution was gradually found in legal constructions. All kinds of contracts are drawn up, binding the parties involved to certain agreements. Consequently trust is decreed by means of contracts.

These contracts have become more and more complex in the last decades. A whole army of legal experts is engaged in drawing them up. Another army of legal experts is fighting in court over disagreements on the implementation of those contracts. Whether this is still an efficient situation remains to be seen. It is not effective in any case, since it leads away from the main issues.

BACK TO THE FUTURE

As we have seen, trust in an inherent characteristic of ants in a colony. Each ant is programmed in such a way that it functions well if the other ants can be trusted. And they can, because they are programmed in exactly the same way.

Thus trust is a very relevant factor in an ecosystem for business. If we want to copy the effectiveness of an ant colony, we should find back the trust of former times. Back to the past, but in a modern way. It could be called "Back to the future".

This modern way can be found in what we have come to call communities these last few years. Communities consist of loosely connected relations between people, both online and offline. Communities resemble villages of former times in that all community members know each other. The difference is that members join and leave the community much easier, so that the oppressive atmosphere of former village communities is absent.

New technology is helping us here. The Internet enables us to form worldwide online communities. As a consequence there is no longer any need to meet physically in order to get to know and trust each other before cooperation can take place.

A mechanism helping to revitalize the mutual trust among people can be found in all kinds of online forums. A fine example is Ebay, where people judge each other's reliability anonymously. Here the force of the crowd is at work.

People using those sites assess each other on the basis of executed transactions. Buyers assess sellers, sellers assess buyers. The more active people are on these sites and the more assessments

they get, the more accurate is the image reflecting the reliability of these “business partners”.

The same goes for products offered online. Take for example a site selling audio/video equipment. The reviews issued by other buyers are considered much more reliable than the sales talks of the suppliers.

Sites such as Zoover even go one step further. Besides numeric assessments detailed descriptions can be found of people’s individual experiences concerning holiday destinations. In this way a much more refined image emerges than in the case of marks. A camping site for teenagers may receive high marks, but it may be a bad choice for a camper seeking peace and quiet.

In whatever way trust is facilitated, it oils the wheels of cooperation and business. It is an essential element of an ecosystem for business, just as it is implicitly present everywhere in the ant colony.

4

TOWARDS AN ECOSYSTEM FOR BUSINESS

In the previous chapter we described the various principles playing a part in an ecosystem for business. It is time to show how such an ecosystem is constructed. But first we will examine the ways in which people operate, on their own and in cooperation.

4.1 FROM HUNTER/COLLECTOR TO KNOWLEDGE WORKER

Mankind has gradually developed to where we are now. Alvin Toffler distinguishes 4 phases, with every phase showing a fundamentally different way of earning a living.

When we were still carrying cudgels and wearing bear skins we gathered our food by hunting animals and collecting tubers and fruit in nature. That is why it is called the period of the hunter/collector.

About 5,000 years BC a revolution began. Man discovered that by settling in a fixed place he could grow crops and keep animals there and support himself in a totally different way. This revolution took about 1,000 years, at the end of which farming had become the standard.

About 400 years ago a new revolution started. It was eventually led by a strong technological development and caused people to become (factory) workers. This development became particularly manifest after Henry Ford's introduction of the assembly line, one hundred years ago. A landscape of businesses came into being, and in those businesses people work and earn their living.

At this moment another revolution is taking place, a revolution towards the world of the knowledge worker. Factory work is increasingly done by machines and our contribution in that process is developing and using knowledge. Knowledge work is becoming ever more important as a livelihood.

This development causes a discrepancy, because our present organizational forms are geared to man as a manual worker. These organizations are less suitable for knowledge workers.

4.2 NEW FORMS OF COOPERATION

An attempt to achieve a new way of organizing work more suitable for the needs of the knowledge worker is called "New World of Work". People are allowed more freedom to do their work in places more suitable for the job and at more convenient moments. This is a first small step away from the world of big businesses towards the new world of knowledge workers.

The traditional way of working is still firmly embedded in the business landscape however. Many organizations still find it hard to accept the new world of working, because it conflicts with a number of fundamental elements of the old way. The new world of working requires a different kind of control, which managers in particular have to get used to. There are many changes for the employee as well though. Who has never heard "You are occupying my flex place!"?

Another development, which started before the new world of work strangely enough, can be seen in the open source movement. Here people - often all over the world - work together on a joint product - mostly, but certainly not exclusively - in software development, with Linux as the first and most familiar example.

Open source development does not involve central management. There is no manager. It is everybody's free choice to join in and they do so with various motives. There is a coordinating mechanism though, and there are certain agreements participants have to adhere to. These agreements are not imposed from above however, but controlled from within the community.

The result of open source development is usually not inferior to commercially developed products. Linux is again a good example. It has acquired at least an equal market position next to operating systems of "competitors" such as Microsoft and IBM. The contents of Wikipedia has in the meantime been established as having a quality which is superior to the Brittanica, until recently unquestionably the best encyclopedia in the world.

4.3 AN ECOSYSTEM FOR BUSINESS

In the search for a name for this new organization the term ecosystem seems to be the most appropriate. Collins American English Dictionary defines an ecosystem as:

> *"A system made up of a community of animals, plants, and bacteria interrelated together with its physical and chemical environment"*

In an ecosystem there is coherence between all parts. Although each part goes its own way, there is a balance, which is kept by everything

within the ecosystem. And there is dynamic. The movement seems to be spontaneous, like a kind of perpetual motion machine.

The ideal organization form for a knowledge worker operates in a similar way. Knowledge workers carry out their own individual tasks, but their activities only gain value as parts of and contributions to a larger whole. Since this larger whole closely resembles an ecosystem, we call it an ecosystem for business.

Again there is a parallel with the ant colony, which is also an ecosystem on its own. Every ant is also doing its own part, with respect for the whole.

We have seen that by managing to adapt optimally to its surroundings an ant colony effectively secures its survival. An organization of knowledge workers, an ecosystem for business, is adaptive in a similar way.

Participants in an ecosystem for business cooperate as autonomous individuals, just like ants in an ant colony. The concepts mentioned, co-creation, handling complexity, self organization, dealing with coincidence, and the role of trust, are the principles leading the participants of such an ecosystem in their work.

Ecosystems for business are much better suited to the nature of the knowledge worker than our present organizations dating from the time of the (factory) worker. That is why we regard an ecosystem for business as a logical next development in the way cooperation will take place in the future.

4.4 THE CRUCIAL ROLE OF ICT

ICT is the pre-eminent enabler of the transition from the efficiency machine to a world of knowledge workers cooperating in ecosystems. At this moment, however, ICT within businesses is mainly used for the preservation of the efficiency machine, and the principle of mass production. This should change. As stated by Carlota Perez: "We have to divorce ICT from mass-production."

Co-creation is at the centre of those new ecosystems. In chapter 3 the

workings of real co-creation were shown. The various participants in co-creation often cooperate without being aware of it. Everybody is doing their own thing.

It is a joint ICT-environment which connects the separate activities, thus enabling common value creation. Such a joint ICT-environment is called an Engagement Platform since it facilitates commitment, mutual involvement.

An Engagement Platform supports every participant in the co-creation process performing his or her activities. Let us go back to the LEGO-example: the LEGO-user is given the opportunity to make and send his or her design with the help of the LEGO Factory (part of the Engagement Platform). Then the Engagement Platform supplies a bill of materials to an order picker, who puts all the LEGO bricks required for the design in a box and sends it to the customer.

Just like information processing systems have gradually become the backbone of the efficiency machine during the past decades, Engagement Platforms are the backbones of ecosystems for business. Participants in ecosystems cooperate on a deliberate basis with ICT as the pre-eminent link. ICT supports the co-creation process optimally, enabling every participant to "do his or her own thing".

There is a huge dynamic within an ecosystem for business. The way of working may suddenly change completely. Reacting more consciously to coincidence plays an important role in that process. This makes considerable demands on the flexibility of ICT.

Thus the ICT supporting an ecosystem for business needs to be flexible. It also needs to be able to adapt rapidly and easily to changing dynamics within an ecosystem for business.

This means that changes take place not only in the nature of ICT systems, but also in the way in which these ICT systems are established. This puts new demands on ICT designers.

So-called "agile development methods" are of major importance if ICT is to keep pace with the developments within ecosystems for business.

4.5 ONLINE COMMUNITIES

Another development - boosted by new ICT opportunities - is the establishment of online communities, internet locations where like-minded people interact online to share ideas, experiences, etc.

Online communities are an important means to start off ecosystems. Linux, for example, owes its success to the lively online Linux community. Online communities cannot achieve success on their own for that matter. Almost all successful online communities also have offline meetings besides the online activities. It all contributes to a lively ecosystem.

4.6 EARNING MONEY WITHIN AN ECOSYSTEM FOR BUSINESS

The question is often raised how money can be earned in an ecosystem for business, since the activities involved appear to be mainly unpaid services. Yet an ecosystem for business offers various opportunities to earn good money.

For a start the participants involved may charge a fee for the support provided to others in the ecosystem. There are no objections, as long as the value supplied is in proper proportion to the fee demanded. Because of the transparency which is typical of ecosystems the chance of proper proportions is even greater than in many traditional businesses (see the mortgage example in chapter 1).

An alternative way to earn money within an ecosystem is the application of Pay What You Want (PWYW), also refered to as Pay What You Think It's Worth (PWYTIW). After a service has been provided the receiver determines how much s/he is willing to pay for it and then pays this amount to the provider of the service. It may seem a soft and less serious way of paying. But if applied well, in the case of a reasonable discussion on the value supplied, this is a very businesslike payment form, however, and an excellent way to earn money.

Money need not always be the means to pay though.
Sometimes just being able to offer support results in so much more that this is sufficient payment in itself. Asynchronous reciprocity (see chapter 3) may also occur: somebody helps out someone else and will be repaid – in a direct or indirect way – in the form of a service in return.

This kind of payment can explicitly take the form of an alternative value system, such as a community currency or a local currency for a specific ecosystem. A fine example is the Makkie, used in the Makkassar Square Community in Amsterdam.

5
AN EXAMPLE: SEATS2MEET.COM

A beautiful example of an ecosystem for business is Seats2meet.com, especially known as a location where self-employed professionals (they are called independent professionals at Seats2meet.com) can work and consult for free. In practice Seats2meet.com is much more than that!

5.1 THE LONG TAIL

Seats2meet.com was founded by Ronald van den Hoff and Mariëlle Sijgers of CDEF Holding (CDEF = Cada Dia Es una Fiesta, every day is a feast). They were running – and still are – Meeting Plaza, a traditional meeting concept. However, they discovered that the market for meeting locations was increasingly becoming a commodity market with competitors fiercely fighting each other. It was time for something new.

They found it by using Chris Anderson's concept of the long tail. It assumes that an arbitrary market can roughly be divided into two parts: 80% of sales is generated by 20% of larger customers, 20% of sales is generated by 80% of smaller customers. Traditionally suppliers focus their attention on the 20% of larger customers, since this group guarantees big successes because of higher sales per transaction. The costs per transaction can be met more easily this way.

However, if a way can be found to limit the costs per transaction, a huge market with the 80% of smaller customers will become accessible. Your competitors may look down their noses at them and leave them all to you. Since the introduction of the Internet many more business transactions have been concluded online by customers themselves, which results in many opportunities to diminish the costs per transaction.

5.2 SEATS2MEET.COM AS A MEETING LOCATION

Seats2meet.com made use of the long tail principle. They noticed that a large group of independent professionals were having much trouble finding suitable space for meetings or courses. This space was for a large part reserved for contracts with 20% of larger users of meeting space. And if they did find meeting space, they had to commit themselves many months in advance, whereas the average independent professional plans his or her space needs only a week in advance and is never sure if the session will really take place.

Seats2meet.com took the opportunity to introduce a whole new concept. They started booking seats instead of space and established a fully automated booking system to that end. If someone organizes a meeting, s/he indicates online the number of seats which may be

needed. Changes can be made when the planned date approaches. On the evening preceding that particular meeting the system checks the booked meetings on a Seats2meet.com location as well as the number of seats required for every meeting. On the basis of this information the meetings are accommodated in the various rooms. With an ingenious and flexible pricing system the cost per seat is determined depending on the demand at a specific moment, so that the requests are evenly distributed over the days of the week.

The advantage of this system is that the person booking space can cancel the reservation one day in advance without any costs, since the planning of the booked meetings becomes finite only then. The traditional competitors considered the Seats2meet.com undertaking a mad idea. It would never be a success. Meeting rooms would remain empty for half of the time. They did not reckon with the force of the long tail, however. The number of clients in that particular market segment is so considerable that the effect of a canceled meeting is hardly felt. This is apparent in the Seats2meet.com flagship location in Utrecht which has an average 90 percent utilization of meeting rooms. A traditional meeting centre would never achieve a similar result!

5.3 SEATS2MEET.COM AS FLEX WORK LOCATION

Seats2meet.com for that matter is not in the first place known for its meeting facilities but for something else. This phenomenon is the result of an experiment.

Every Seats2meet.com site has a central space where all participants taking part in meetings, arrive, take a break, drink coffee and have lunch. Most of the time this space was empty though.

Ronald and Mariëlle wanted this space to be more useful. They decided to place a separate table in the room, to be used for free by independent professionals. They could work there and consult each other. They could also make use of Seats2meet.com's Wi-Fi network so that they were online continuously. They could freely use the coffee/tea machine. It was there anyway. Independent professionals could take a free lunch as well, since lunches were a standard provision for the participants of the meetings.

5.4 ASYNCHRONOUS RECIPROCITY

The number of Seats2meet.com flex places has expanded enormously . The experiment with the table has extended to the entire central space of every Seats2meet.com location. Flex workers are only asked to make room around lunchtime, so that the participants of the meetings can have a quiet lunch.

This a beautiful example of asynchronous reciprocity. The free work spaces provided enormous publicity. Soon Seats2meet.com could end their marketing activities. The users of the free flex places took care of the marketing automatically, which counterbalanced by far the costs of Wi Fi, coffee, tea and lunches.

5.5 ENCOURAGING COINCIDENCE

In the end Seats2meet.com even went one step further. They started to use their booking software for flex places also. Independent professionals can still make use of them without being charged, but the places are no longer "for free". They are to pay with what has come to be called "social capital" by Seats2meet.com.

At Seats2meet.com social capital means that you are prepared to share your knowledge and be open to unexpected encounters. When booking a free flex place you are to indicate your knowledge and skills as well as the activities you are engaged in. A dashboard in every location shows the knowledge, skills and experience present at any moment in that specific location.

The dashboard is an optimal means to facilitate unexpected encounters. If someone needs specific knowledge, s/he looks at the dashboard of the location s/he is currently working in and makes a direct connection with the knowledge/experience present at that moment. It is even possible to check if certain knowledge/experience will be available in any location at any moment that day and then decide to flex work in that particular location.

And as if this were not enough, Seats2meet.com establishes the connection between the flex workers and the participants of the booked meetings (which are paid for). These participants can also make use of the dashboard at the location where their meeting takes place.

When during their meeting they discover they need certain knowledge or experience, the dashboard can help them find the expertise among the flex workers present in the location. They may then invite that expertise into their meeting. No other meeting centre can offer this additional value!

"Paying with social capital" obliges the flex workers present in the location to offer their expertise. This is no sacrifice, however, but a chance to display their expertise in order to come into focus for paid assignments. It is a welcome opportunity for almost all flex place users!

5.6 AN ECOSYSTEM FOR THE DEVELOPMENT OF ENTREPRENEURSHIP

Seats2meet.com started as an alternative meeting concept, but many people are familiar with Seats2meet.com because of the "free" flex places. Hardly anyone understands precisely how Seats2meet.com can keep going.

Seats2meet.com is actually neither a meeting centre nor a flex place location. It is an ecosystem enabling the optimal entrepreneurial development of independent professionals in particular. The Seats2meet.com team creates a medium for new ideas and initiatives, and connects the corresponding knowledge and experience to organizations for which a specific entrepreneurship has additional value.

Within this ecosystem Seats2meet.com generates its revenues from its original capability: providing well equipped meeting facilities. However, Seats2meet.com took the chance to do it in a better - and regarding the future more certain - way within the dynamic of a new organization form, an ecosystem for business.

Seats2meet.com had the choice between joining an existing ecosystem or initiating a new ecosystem itself. Seats2meet.com chose the latter.

Because of its fundamental choice to operate within an ecosystem Seats2meet.com is not engaged in marketing its meeting facilities. Seats2meet.com invests in community management, as a result of which the community comes alive. With the growth of the community

Seats2meet.com will automatically have more opportunities to generate revenues within that ecosystem.

The community members entirely go their own way within the ecosystem, just like ants in a colony. In doing so they contribute to the growth of the community, which is the ecosystem. But above all they advance their own development, respecting the whole.

This is bearing fruit. In recent years several initiatives have been developed. Some examples are:

- *HAPPY KIDS World*
  This initiative of Sella van de Griend, writer of the book HAPPY KIDS which contains a method to be more effective in the upbringing of children, is developing into a network of accessible HAPPY KIDS Houses, which help parents with difficult child rearing issues.
  In the meantime dozens of people have made varying contributions to this initiative. Many of them got into contact with Sella and her initiative at Seats2meet.com.
- *Antwoord voor Overheden (Answers for Authorities)*
  This initiative of Harold van Garderen and Gertjan Verstoep is developing into a large network of independent professionals which can help national and local authorities in finding solutions to the issues they are facing.
  This initiative was not only set up within the Seats2meet.com ecosystem, but it also uses the Seats2meet.com community as a basis for value creation. This in turn contributes to the expansion of that ecosystem.

5.7 THE SERENDIPITY MACHINE

For more information about the Seats2meet.com concept we recommend "The Serendipity Machine" by Sebastian Olma, which gives a compact but very precise description of the essence of Seats2meet.com. This highly readable booklet shows how the principles of an ecosystem for business caused Seats2meet.com to become a successful engine for unexpected encounters (serendipity).

6

HOW TO BUILD AN ECOSYSTEM FOR BUSINESS

Building an ecosystem for business is no sinecure. It is not just a matter of formulating a business plan, get investors interested, build up an organization and go ahead. An ecosystem for business can only develop organically. This requires a totally different approach.

6.1 OWNER OF AN ECOSYSTEM FOR BUSINESS

It is good to realize that an ecosystem for business does not have an "owner". An ecosystem consists of people acting within the system. One can only be an initiator of the environment in which the ecosystem is developing.

An initiator is concerned with the creation of optimal circumstances in which participants achieve real co-creation. There are roughly four focal points:

- Determine the vision.
- Examine your identity and the identity of the environment in which you want to start an ecosystem.
- Pay attention to the 'daily co-created reality'.
- Act, think and live as a 'complexity agent'.

These focal points do not comprise a phased plan, nor are they static aspects which can be disposed of when an optimal situation has been reached. These focal points need constant attention and care.

6.2 STARTING POINT: DETERMINE THE VISION

Whether an ecosystem for business is created from scratch or from an existing organization, you start with a vision. It is essential to determine the vision first. What is the ecosystem's purpose? What is its social relevance? What issue may be solved by creating the ecosystem?

In our changing world it may safely be assumed that a new ecosystem will have to make a contribution to society. An ecosystem solely based on gaining profits will perish in the longer term. Consequently, a viable ecosystem has a social focus.

It is also important that people feel attracted to the vision. Only then will the vision be the catalyst to get the ecosystem started.

6.3 EXAMINE THE IDENTITY

The identity of an ecosystem emanates from what we call the DNA of the ecosystem. This DNA is based on the beliefs and values existing within the ecosystem. The ecosystem's identity reveals its

distinguishing characteristics to its environment, so that it can be identified by the environment.

The answer to the question "who are we and why are we together?" is the core of the identity. The identity can be recognized in all the ecosystem's actions. It is revealed by actions in the world as well as by the internal sentiment existing among the ecosystem's participants.

Especially at the start it is essential to make the ecosystem's identity explicit for both the participants and the environment in order to provide guidance in the ecosystem's development. This does involve the risk that the identity is treated as a static fact. If the identity starts diverting from the beliefs within the ecosystem, friction may arise and if the worst comes to the worst the ecosystem may collapse.

The identity is not determined by the founders/promoters of the ecosystem. They do play an important part in formulating the identity, but the role of the participants is perhaps even more important. Participants with a strong commitment to the ecosystem are important disseminators of the identity. They are spreading it by living it. It is a natural process which cannot be imposed "from on high".

The ecosystem's identity is mainly revealed in the small details of what is called the 'daily co-created reality', everything that takes place under the surface in the interaction between individual participants of the ecosystem.

6.4 THE 'DAILY CO-CREATED REALITY'

The 'daily co-created reality' comprises everything that happens in the daily lives of the participants in an ecosystem. It is not formally defined, but exists in what is being said between the lines. It can be found in everything the ecosystem expresses itself, including language use, rituals, focus and aim.

Every ecosystem has its unique 'daily co-created reality', which emanates from the interactions between the participants and is not directly visible at the first impression. It is closely related to the experiences of the participants within the ecosystem and is part of their daily reality. This reality is the result of close cooperation between the participants.

6.5 ACT AS A COMPLEXITY AGENT

An ecosystem for business is in fact a learning network in which value is created by means of co-creation between participants. It can only arise through a holistic approach, which does not fit in with the working method of a traditional consultant. In short the traditional consultant's method of working comes down to the following: (1) determine what is going wrong, (2) find a solution, and (3) implement this solution. An ecosystem in which complexity is the standard requires a different role. The role of a complexity agent.

In co-creative environments the complexity agent operates in a completely different way. S/he is often relatively invisible, is part of the ecosystem just like the other participants, and is treated as 'one of us'. In this position s/he promotes the transformation.

The complexity agent fully understands the dynamics between the participants in the ecosystem. S/he understands the language and the rituals used. S/he also comprehends how the actions of individual participants contribute to the whole and offers support if necessary.

Transformation of a system takes time and this certainly is the case in the development of an ecosystem. It requires carefully chosen interventions - small and inspiring - which are supported and spread by the (participants of the) ecosystem itself. The complexity agent initiates interventions which are not necessarily perceived by the other participants. Through his or her actions the complexity agents invites others to behave as complexity agents as well ('lead by example').

6.6 CREATE A CO-CREATIVE INFRASTRUCTURE

For the development of an ecosystem a accompanying infrastructure is of crucial importance. This infrastructure invites people to interact and co-create in the physical world as well as in the virtual world.

The virtual infrastructure, called Engagement Platform in chapters 3 and 4, is often the backbone of co-creation. Remember the LEGO example. There is cooperation between the customer making his or her own design and the order picker in the warehouse. Yet they do not know nor see each other. It is the Engagement Platform which con-

nects their separate activities in the co-creation process.

The physical infrastructure causes the co-creators to meet in the physical world. This may be a fixed location, a combination of several locations or even a varying number of temporary locations. The location may be one of more buildings, but sometimes a square or a park is more appropriate. It is essential that it offers an environment where people, who are of central importance, feel at ease and at home. The environment should inspire and bind them, and invite experiments.

6.7 A CONSORTIUM OF FACILITATING ORGANIZATIONS

In principle any person may start an ecosystem for business. It may only require a community platform – a LinkedIn group for example – and a location where the people involved can meet periodically – Seats2meet.com for example. Yet in many cases more is needed.

Soon it will be clear that several parties are needed to promote and develop the ecosystem together. It is important that these parties develop a joint course of action on the basis of which they start working on the development of the ecosystem.

To that end it is useful to set up a formal partnership, in which the separate parties join and focus their energies which are aimed at promoting the ecosystem. In this partnership – which could be called a consortium – the various participants need to arrive at a common view and approach before allocating tasks adequately.

Characteristic parties to take part in such a consortium are:

- Interest groups, parties promoting the interests of specific groups. Their constituents form the ecosystem's primary target group.
- "Content suppliers", parties supplying their services.
- ICT-parties, supplying the virtual infrastructure.
- Property parties, supplying the physical infrastructure.
- "Environment parties", parties in the environment of the eco system which may have influence on and be influenced by the system, such as municipalities.

All participants in the consortium should be aware that an ecosystem cannot be owned, that it cannot be directed. It is their task to create the facilities starting off the ecosystem. And they appoint one or more complexity agents who will work on the development from inside the ecosystem.

7

CHANCES WITH AN ECOSYSTEM FOR BUSINESS

An ecosystem for business offers a multitude of chances. Chances for individuals to find effective ways to fulfill their needs. Chances for service providers to find new ways to offer their services more effectively.

We are convinced that in a few decades our business landscape will mainly consist of this kind of ecosystems. We have not reached that situation yet. Nevertheless it would be useful for each business to examine the possibilities to participate in one or more ecosystems, because this is the way to secure a sustainable future.

In order to promote this sustainable future we will end with a chapter full of inspiration. The first paragraph will list a number of existing initiatives. In the other paragraphs various fields of application for such ecosystems will be described.

7.1 EXISTING ECOSYSTEMS

Fortunately many examples of ecosystems for business have come into being. Some have a social purpose, others are the basis for "very tough" business. In general these examples have not yet developed completely according to the approach described in this book. But they certainly give us inspiration for establishing our own ecosystem for business.

Here are a few examples:

- *LINUX*
  This is probably the oldest ecosystem for business. It was established at the beginning of the nineties when the Finnish computer scientist Linus Torvalds produced the core of a new Unix operating system and made it freely available to programmers all over the world. Together they have developed LINUX into a fully-fledged computer operating system which is more than a match to commercial counterparts such as Microsoft Windows and UNIX versions of IBM, HP and SUN.
- *Seats2meet.com*
  Seats2meet.com has been described in detail in chapter 5. It is an ecosystem in which independent professionals can flourish.
- *The Performatory*
  The Performatory has been designed by the Imagineering Academy of NHTV, University of Applied Sciences in Breda. It is an ecosystem connecting students and business, providing students with an environment for optimal growth and supplying businesses with inspiration and knowledge.
- *Couchsurfing.com*
  Couchsurfing.com is an ecosystem connecting travelers to people offering sleeping accommodation. This has meanwhile become the largest "hotel chain" in the world with over a million clients and more than 80,000 destinations in 250 countries!

7.2 THE SOCIAL DOMAIN

At this moment many municipalities in the Netherlands are struggling with the Social Support Act (WMO). Many tasks have been transferred from the Exceptional Medical Expenses Act (AWBZ) to the Social Support Act. The idea is that the distance between the municipalities and their citizens will be smaller so that more tailor-made

solutions can be offered. What usually remains unsaid is that this task-shifting is accompanied by unprecedented cuts. The municipalities receive only a fraction of the budget which used to be available for the national Exceptional Medical Expenses Act.

An ecosystem for business offers a solution here: an ecosystem in which individuals, network partners (independent businesses in the social domain of a municipality) and the municipality itself cooperate in order to construct a very different form of care and support. By focusing on the quality of the service and by exploring what can be done by the citizens themselves, opportunities will arise to achieve higher quality in combination with considerable cost reduction.

The needs of citizens in the fields of youth care, care for the elderly and the disabled, etc, which used to be the responsibility of government organizations, will play a pivotal role in such an ecosystem. It will assist citizens in organizing their own needs. The directing role of traditional service providers will change into a supporting role.

With citizens organizing their own needs the support is far more likely to be in agreement with the needs. Indeed, they (help themselves to) receive tailor-made support. The ecosystem reveals that citizens have a great ability to help themselves and each other. The support of service providers is mainly additional. Thus they only organize the needs in more complicated cases, where their service is indispensable. As a result their work is more interesting and the costs for society are reduced.

Specifically in the social domain yet another element is playing a part. There is a demonstrable increase in the welfare of people if they contribute to the wellbeing of others. By developing an ecosystem in which people help each other, not only costs are reduced. Welfare is promoted in a very special way!

7.3 THE NEW SHOPPING CENTRE

The nature of shopping is changing. It is not what it used to be, and retailers in shopping centres should react to this change. If they do not, a growing number of them will be out-of-business. In an average shopping centre this development can already be detected. The

number of empty shop-premises is now increasing dramatically. There is a difference between functional shopping and fun shopping. Functional shopping involves buying daily necessities, such as food and consumables. This kind of shopping will increasingly take place outside the traditional shopping areas. Online ordering and delivering to the house is becoming more and more important.

Fun shopping often is shopping without a specific purpose, allowing the unexpected to play a role in purchases. Clothing and furniture are typical products to be bought this way.

Time is an important factor here. Research has shown that the absolute quantity of leisure time consumers have at their disposal is diminishing. At the same time consumers are becoming more demanding as far as spending their time is concerned. A growing number of consumers want shopping to be an experience, and retailers and shopping centres should react to this trend:

> *Retailers need to stop thinking about making shopping entertainment. They need to concentrate on making entertainment "shoppable" instead.*
>
> **Hamilton South,**
> **Founding partner of the HL Group**

This kind of entertainment, such an experience, transcends the level of a single shop. Shopkeepers can only offer an experience, if they start cooperating with the retailers around them: cooperation at the level of a shopping centre or shopping area. The mutual cooperation, of retailers as well as the real estate parties involved, will result in a shopping experience which will attract consumers.

An experience in which consumers take an active part is even better. An experience will be unforgettable if people participate actively while undergoing the experience. Thus an ecosystem is gradually developing: an ecosystem with consumers, retailers and real estate parties co-creating a consumer experience.

If shopping centres introduce the concept of an ecosystem for business, new impetus will be created. An unparalleled shopping experience will be created if property developers take the needs of the

new consumer as the starting point (a combination of buying and experiencing), if they support the creation of such an experience by cooperating with consumers and service parties (retailers, real estate parties, telecom parties). This will result in a much more attractive shopping centre as opposed to the traditional shopping centre where "there is nothing to do".

7.4 THE NEW FARM

Agriculture in particular is the sector which has been seriously affected by the efficiency machine and has seen ever growing consumer protests against that efficiency machine. Factory farms involving animal suffering, excesses like foot and mouth disease and mad cow disease, antibiotic resistance are all excesses caused primarily by an efficiency driven sector.

As a countermovement the number of eco-farms is increasing. Farms are producing in a more artisanal and biological way and are highly committed to animal welfare. These farms are increasingly seeking contact with the local population to show that alternative production methods are feasible.

Another development comprises the so-called care farm, where a care institution is situated in an agricultural setting. The dependents carry out agricultural activities under supervision and have more active lives. The idea is that their quality of life will improve enormously.

Yet another phenomenon is farms becoming open to businesses. By withdrawing at a farm for one of more days business employees may get new inspiration. Teambuilding activities in an agricultural setting may also take place.

All these activities can be combined beautifully in an ecosystem. If a farm decides to become an ecosystem for business, where various types of users participate in their specific ways and receive support for their specific needs, a entirely new kind of business will develop with far more opportunities than a business with a single purpose, such as an eco farm or a care farm.

WHO WE ARE

Evert Jan van Hasselt
After a career in Information Technology I started with Dolfijn Advies in 2009. Inspired by Shoshana Zuboff (Harvard) in 2005 I decided to start working on a business landscape in which the individual comes first. In recent years Dolfijn Advies has grown into Dolfijn Cocreators, a network of professionals helping organizations with their innovations.

I am also the chairman of the Renaissance Groep, founded in 2002 by Herman Wijffels and Ton Plekkenpol. The Renaissance Groep is a network of entrepreneurs who are building a more sustainable world where ethical trade is the standard.

Pauline Romanesco
I am a social entrepreneur, after a bachelor in social entrepreneurship at The Performatory, and a master in 'strategic business innovation from the experience perspective' at the Imagineering Academy, sections of the NHTV in Breda, The Netherlands.

I am also a core group member of the Renaissance Groep, a network of entrepreneurs who are searching for more sustainable solutions in our society.

My expertise concerns transformation processes with a focus on interaction between people. My working method is based on the complexity thinking and inspired by social constructionism.

DOLFIJN DESIGN LAB

It is our dream to develop ecosystems for business. We are convinced that they help create a better world, as we have tried to explain in this booklet.

That is why we have set up Dolfijn Design Lab. With Dolfijn Design Lab we are taking organizations and their clients, or other groups of people, into the transformation process towards ecosystems. That way we are building learning networks with the focus on innovation and co-creation.

More information (in Dutch) can be found on www.dolfijndesignlab.nl

COLOPHON:

Published by Society 3.0 Foundation
www.society30.com

Text:
Evert Jan van Hasselt & Pauline Romanesco
www.dolfijndesignlab.nl

Translation:
Greetje Bootsman

Graphic design:
A10design
www.a10design.nl

Publishing advice and production:
Van Lindonk & De Bres
www.vldb.nl

ISBN
978-90-816935-8-5

www.ecosystemforbusiness.com