

# **BUSINESS ECOSYSTEM**

**TEAMWORK, SUPPLY CHAINS AND SHARED  
STRATEGIES IN TODAY'S WORK ENVIRONMENT**

**TULSA CHAPTER OF OSCPA**

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# BUSINESS ECOSYSTEM DEFINITION

- A network of organizations – including suppliers, distributors, customers, competitors, government agencies and so on – involved in the delivery of a specific product or service through both competition and cooperation (Financial Times)
- These are stakeholders in a product or service that can work together in a specific time or project (the team may include competitors at times)
- The components can consist of teams of individuals or groups of organizations working toward a common goal

# BUSINESS ECOSYSTEM ORIGIN

- This concept of strategic planning was developed in the 1990s by James F. Moore as published in the Harvard Business Review
- The concept was widely adopted in the high tech community where the rapid evolution and intense competition generated new products and techniques that shifted the course of business and shortened product cycles for hardware, software, and services
- Companies rushed to build alliances with suppliers, customers and even competitors for mutual support and to co-evolve

# BUSINESS ECOSYSTEM COMPONENTS

**A business ecosystem has seven types of actors:**

- customers
- markets
- products
- processes
- organizations
- stakeholders
- government / society

# ENTERPRISE OPERATING SYSTEM

- Henry Ford changed the operating system in manufacturing with his vertically integrated factories that received iron ore input and finished with a complete automobile
- A later version was the integrated conglomerate linked with bankers, oil companies and railroads near the turn of the century
- The Elastic Operating System is attributed by author Haydn Shaughnessy to Steve Jobs and Apple. The costs of such organization do not increase proportionally with company size. Management overhead is spread over a larger base

# FIGURE 2

**FIGURE 2:**  
*Inclusive Business Ecosystem Diamond*



# ECOSYSTEM DIAMOND SIDES

Information provides businesses with the awareness, knowledge, technology and know-how required to operate in low-income markets;

Incentives provide businesses with the impetus to engage with low-income communities by rewarding positive externalities and reducing the cost of doing business;

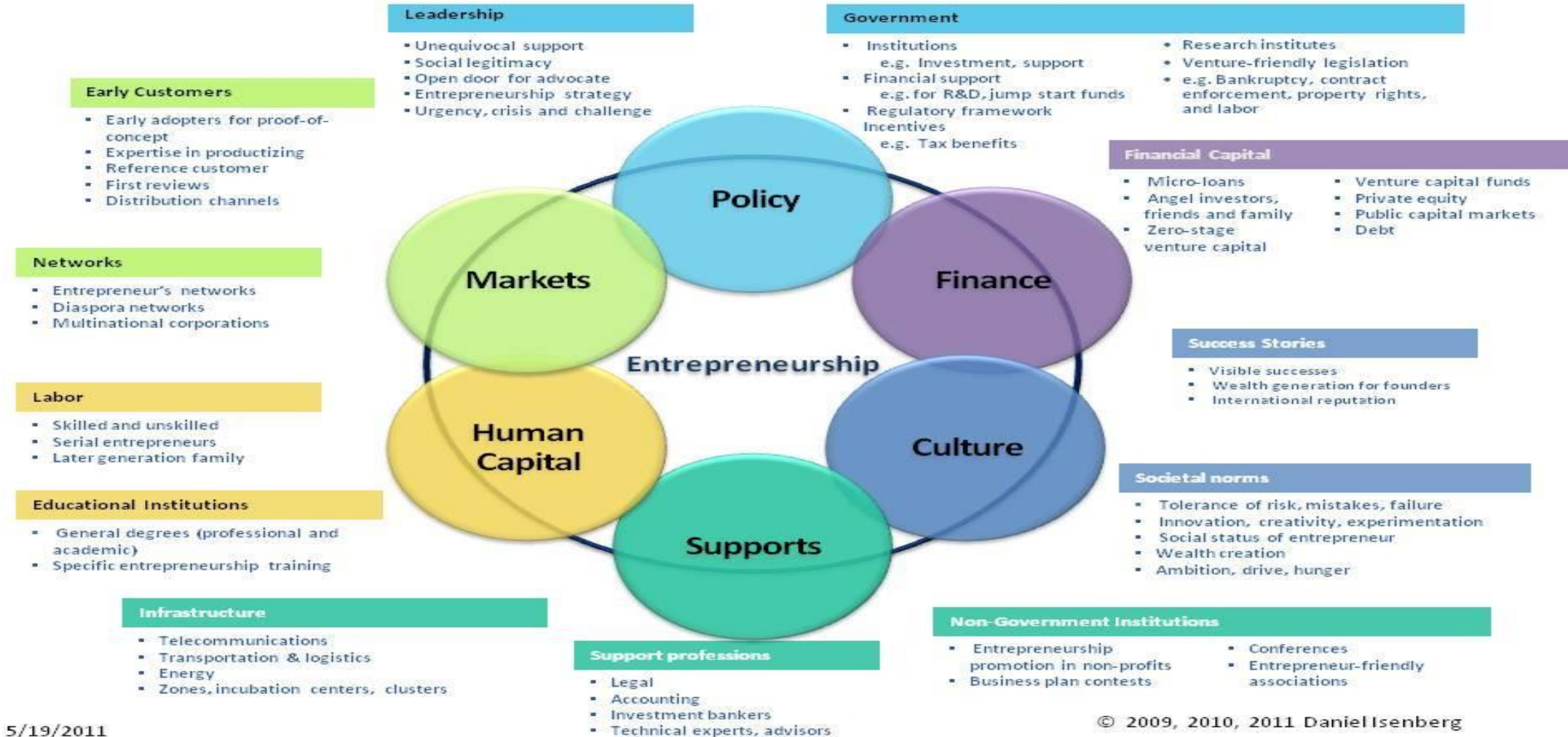
Investment provides the financial backing, both from public and private sources, that enables businesses to venture into challenging low-income markets;

Implementation support provides the logistics, transaction, marketing and communication, and micro-business support services that allow inclusive businesses to function in a variety of dynamic environments.

# FIGURE 1



## Domains of the Entrepreneurship Ecosystem



5/19/2011

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# ENTREPRENEURSHIP ECOSYSTEM

- This model consists of six general domains with hundreds of underlying elements
- Each system is unique and often evolved from the need to develop a functional system to build businesses
- Many have risen up from various countries: 1970s – Israel; 1980s – Ireland; 1990s – Taiwan; 2000s – China
- Smaller scale systems are growing in third world regions such as Africa and southeast Asia

# THE ELASTIC ENTERPRISE

- **Business platforms (Amazon & Apple)**
- **Business ecosystems (multiple partners)**
- **Universal connectors (short-term contracts)**
- **The “Cloud” (internet connectivity)**
- **Wise leadership (visionary – Jobs & Bezos)**

# EVOLUTION OF APPLE - 1

- The Mac owned a small percentage of the personal computer market in 2000 shortly after the return of Steve Jobs
- The introduction of the iPod was a “radical adjacency” to the computer market but the revolution came with the introduction of iTunes in 2001
- iTunes established a new business ecosystem of creative partners and music marketing companies and Apple became an entertainment vending platform

# EVOLUTION OF APPLE - 2

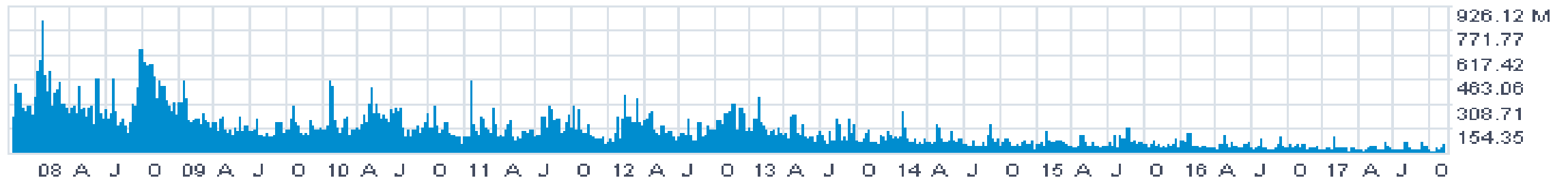
- This opened the door to the iPhone in 2007 and the new Apple OS which connected across devices and shared applications – universal connectors
- In 2008 the Apple App Store further build on the platform
- The iPad came out in 2010 to further expand the Apple ecosystem
- Apple products have developed a cult type following even among professionals who do not use Apple products in their daily working environment

# APPLE STOCK PERFORMANCE – 10 YRS

10 Year



Volume



EDGAROnline

Click on the chart to view the underlying data.

# APPLE COMPETITION – AMAZON - 1

- Amazon is building its own ecosystem of products and services and some cross over into Apple's universe
- Amazon hardware, the Kindle and Fire are not superior to Apple hardware but they deliver solutions wanted by consumers
- Apple carried the music library from the iPod to the iPhone
- Amazon carried the ebook library investment into the Kindle
- Apple's profits are earned when an iPad is sold while Amazon earns profits largely from purchases made from the Fire

# APPLE COMPETITION – AMAZON - 2

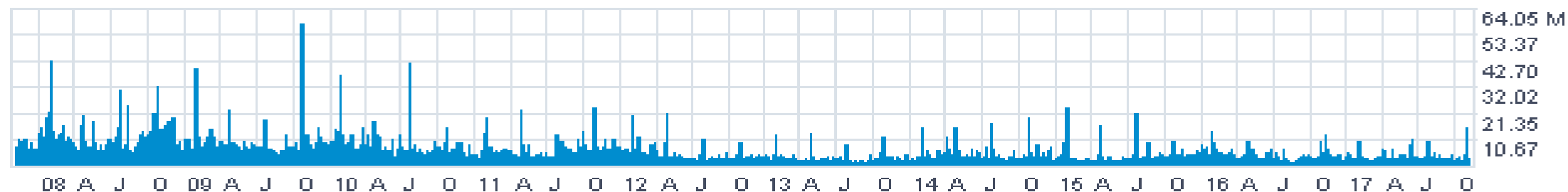
- Amazon manages a diverse range of products and services
- The commerce engine, reviewer database and community increases leverage as its scope expands
- The vendors who sell through Amazon must be monitored
- The digital rights management, writing community that self-publishes to Amazon
- The Amazon Cloud provides hardware, software and support to a multitude of businesses

# AMAZON STOCK PERFORMANCE – 10 YRS

10 Year



Volume



EDGAR Online

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# MORE COMPETITION & ECOSYSTEMS

- Walmart and Google have joined forces to compete with Amazon
- Google Home and Google Assistant app will work with Google Express to use voice-activated shopping to order items from Walmart for pickup or delivery
- Amazon Fire Stick TV is competing with Apple TV and Google Chromecast TV and Netflix, Hulu and Roku for viewer time

# VISIONARY RISK TAKERS



**Steve Jobs**  
**Apple**



**Jeff Bezos**  
**Amazon**



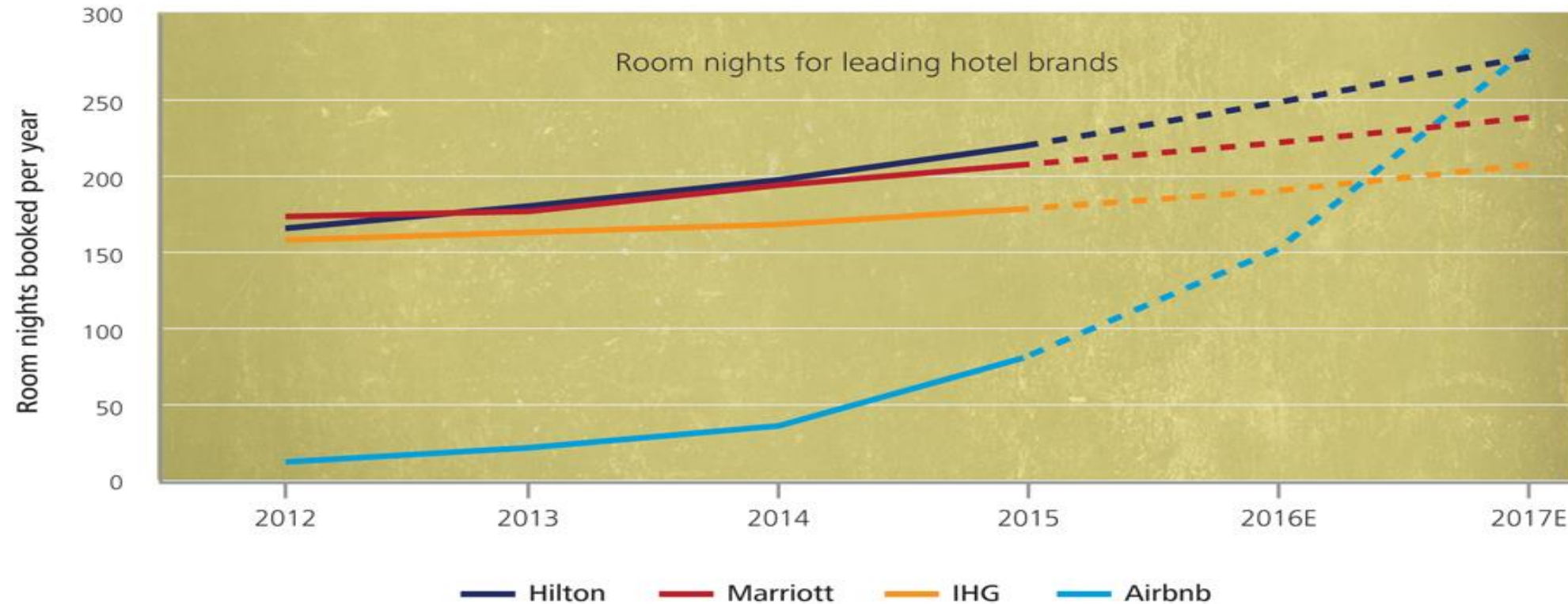
**Elon Musk**  
**Tesla**  
**Space X**  
**Solar City**

# THE “SHARING” ECONOMY

- The world’s biggest taxi company that owns no cars - first Uber and then Lyft expanded the utilization of available capacity using private vehicle owners with time flexibility
- The world’s largest accommodation provider owns no real estate – Airbnb helps property owners to utilize extra bedrooms and make income in the bargain

# IMPACT OF AIRBNB

Figure 5. Growth in room nights



Source: Deloitte analysis. For data sources, see John Hagel III, John Seely Brown, Maggie Wooll, and Andrew de Maar, *Unlock assets from adjacent markets: Cultivating opportunities on the edge*, Deloitte University Press, February 2016.

Graphic: Deloitte University Press | DUPress.com

# WORKFORCE ON DEMAND - 1

- Contingent and part-time workers are becoming a greater part of the Elastic Enterprise
- More than one-third (34 percent) of all workers in the United States are contract workers
- Nearly half (49%) of respondents in Deloitte's Global Human Capital Trends 2015 survey say their need for contingent workers will keep growing over the next three to five years.
- Managing this complex workforce effectively and with greater sophistication requires new, integrated relationships across HR and procurement, as well as with business leaders.

# WORKFORCE ON DEMAND - 2

- Proactively plan for a hybrid workforce that includes owned and on-demand employees
- Put in place integrated management and risk controls across the business, procurement, and HR teams
- Extend your performance management and analytics efforts to on-demand talent
- Develop HR and IT systems to support on-demand talent
- Assign ownership and governance of on-demand workforce management

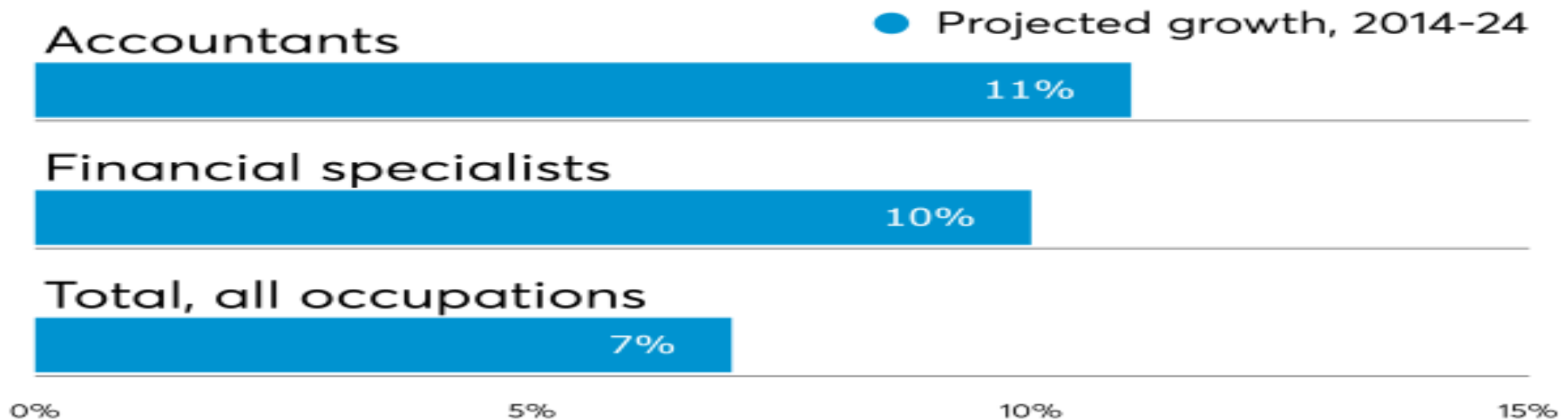
# ACCOUNTING ECOSYSTEMS

- Software developers often create third-party developers to enhance their products
- Intuit has been attracting independent developers to build on its QuickBooks Online ecosystem and now has over 300 apps that can be integrated from Apps.com
- Expensify's mobile app lets employees use their phone to photograph and code receipts
- Smartscan transforms receipts to expenses so they can be exported to QuickBooks

# ACCOUNTING PROFESSION OUTLOOK

## A future-ready profession

Tech will help accountants become more than number-crunchers as the occupation grows.



Source: Bureau of Labor Statistics



# TEAMWORK

- Modern organizations have increased reliance on teamwork
- Inside teamwork with employees both intra and inter-departmental
- Outside teamwork with supply chain vendors and consultants
- Increased coordination provides efficiencies and cost savings for the organization
- New leadership styles must be developed to manage conflicts within and among teams
- Building a teamwork ecosystem requires considerable thought, work and commitment

# SELF MANAGEMENT

- Teams are fully committed to a common goal and mission that they have developed and the general approach to solve it
- Team members and mutually accountable to one another
- Members trust one another and have a collaborative culture (but conflict can arise and must be dealt with effectively)
- Members all share in leadership of the team (self managed...)
- Members achieve synergy – the whole is greater than the parts such as  $2 + 2 = 5$

# SELF MANAGED CHARACTERISTICS

- The power to manage their work
- Members with different expertise and functional experience
- No outside manager and the power to implement decisions
- Coordination and cooperation with other teams and individuals affected by the teams' decisions
- Internal leadership based on facilitation